Daily Report

Latin America

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FBIS-LAT-90-123 *26 June 1990*

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Cuba

Malmierca Comments on OAS, Foreign Relations

PA2206235690 Madrid EFE in Spanish 2147 GMT 22 Jun 90

[Text] Quito, 22 May (EFE)—Cuban Foreign Minister Isidoro Malmierca said in Quito today that his country will rejoin the OAS when Latin America and the Caribbean region decide to permit it without any conditions.

During a news conference, Malmierca said today that "we are not placing any conditions on our return to the OAS and we have repeatedly said that we will rejoin the OAS once the Latin American and Caribbean states have expressed an interest in Cuba's returning to the OAS."

Malmierca, who is completing the last part of an official tour that includes visits to Guyana and Bolivia, recalled that his country did not leave the OAS of its own will, but that it was separated from the organization after the triumph of the 1959 revolution as a result of an action that he described not only as unfair, "but also as an aggressive action against a necessary process, which is Latin American and Caribbean unity."

The OAS expelled Cuba from that organization as a result of a majority decision made on 31 January 1962.

Malmierca will end his three-day visit to Ecuador tomorrow. Malmierca and his Ecuadoran counterpart Diego Cordovez agreed on a number of economic, technical, health, tourism, and sports exchanges.

The Cuban diplomat paid unofficial visits to Venezuela and Peru, although he met with the presidents of those two countries, Carlos Andres Perez and Alan Garcia respectively, and with Peruvian president-elect Alberto Fujimori.

The Cuban foreign minister indicated that his country continues with its rectification process, which is not a process of abandonment of socialist values. Malmierca also assessed Cuba's relations with Nicaragua, Panama, Colombia, and Chile.

As for Nicaragua, Malmierca said Cuba had to remove the builders who were helping the town stricken by the last hurricanes because sufficient guarantees for their safety were not in place, but that Cuban doctors are still there. The Cubans hope that "the situation will allow the continuation of that relationship of cooperation, he noted.

On Chile, he said there are no plans to renew the relations broken in 1973 following the military coup that ousted the Salvadoran Allende government, but he stressed there is a "new climate" with the democratic regime of President Patricio Aylwin, "and although we have no diplomatic relations now, relations between Cuban and Chilean officials are smoother, more natural." The Cuban foreign minister referred to Colombia, a country with which Cuba does not have diplomatic relations either, along those same terms, but noted "we have a very special, very unique, situation" because although "there are relations that cannot be described as diplomatic, we often exchange ideas with our counterpart Julio Londono on different issues."

Malmierca said relations have not been broken with Panama, but noted that Cuba condemned the U.S. invasion in December, adding "we feel the situation that exists does not enable us to recognize the Panamanian Government (of President Guillermo Endara) as legitimate." The Cuban minister will return to Havana tomorrow, but he will stop in Caracas, which he visited before, and after his trip to Guyana.

Further on Malmierca Remarks

FL2206191490 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Jun 90

[Text] Cuban Foreign Minister Isidoro Malmierca met with President Rodrigo Borja during the second day of his three-day official visit to Ecuador. Malmierca fulfilled a busy agenda on 21 June. One of his most important activities was the homage he paid to the heroes of our independence.

Malmierca said here that there are no dictatorships in Cuba, that President Fidel Castro has close links with his people, and that he is loved by his people. Malmierca said that Castro has submitted his proposals to the people every time it was necessary.

[Begin Malmierca recording] Those changes will just not happen in our country. We have been carrying out for some time, almost 5 years now, our own process of rectification of mistakes and negative tendencies. We are trying to improve our socialist ideology. We are trying to get people to participate more in the process of government and decision-making. We are trying to make our institutions more efficient. However, the Cuban people want those changes. The Cuban people want to improve our socialist system. [end recording]

U.S. 'Setback' for TV Marti at UIT Meeting

PA2406184290 Havana International Service in Spanish 1402 GMT 24 Jun 90

[Text] The United States sustained a severe setback at the International Telecommunications Union [UIT] meeting when it was unable to technically support its arguments regarding the anti-Cuban television station. At the meeting, which concluded in Geneva on Friday [22 June], it was demonstrated that the project is illegal and violates the organization's regulations. Gary Brook, chairman of UIT's frequency board, said that Washington should eliminate the interference, which entails dismantling the ill-called TV Marti station.

Carlos Martinez, the Cuban delegate, reported that the U.S. project meets neither the standards established in the International Telecommunications Agreement

signed in 1982 in Nairobi, Kenya, nor the UIT regulations. During the final session, Cuba received the support of several delegations, such as those of Mexico, Algeria, the Soviet Union, the PRC, India, and Burkina Faso, among others.

GRANMA Cited on 'Failure of TV Marti'

FL2206140190 Havana Tele Rebelde Network in Spanish 1100 GMT 22 Jun 90

[Text] Today GRANMA published a front page article entitled "They Came for Wool" in which the newspaper reviews the failures of various U.S. Administrations to invade our air waves.

After citing the tongue-twisting phrase that says common sense is the least commonly used sense, the newspaper says the phrase has the force of law in the case of those in the U.S. Administration who are responsible for anti-Cuban policies.

The newspaper then cites the cases of the so-called Radio Marti and TV Marti stations saying that the two cases clearly demonstrate this peculiar sense for nonsense. Further on, GRANMA recalls that the first chapter of this history appeared in 1960 with the first transmissions of Radio Swan, perhaps the first theoretical-political course of world radio terrorism.

The article also mentions the sacred Voice of the Americas and its space entitled "A Meeting With Cuba" that lasted nine years until its celebrated demise in 1970. The article also mentions the first broadcasting of Radio Marti in 1985 stressing that, from the beginning, Cuba had the right to respond to this aggression. After five years, without any argument other than an imperial logic, the United States declared Marti Radio untouchable. They let themselves be seduced by their ambitions and embarked in a scandalously illegal project which more than immoral, is technically uncertain: TV Marti.

Finally, the newspaper says that the defense has been limited to neutralizing TV Marti's signals. Cuba maintained its common sense and wisdom, because those who came for wool ended up shorn.

New TV Relay Transmitters Set Up in Las Tunas

FL2506201690 Havana Radio Reloj Network in Spanish 1949 GMT 25 Jun 90

[Text] Television relay transmitters have been brought into service in Las Tunas Province as part of the efforts of the People's Government and the Minister of Communications to improve reception of the national television channels. (Herberto Alvarez), director of the communications enterprise in that province, explained that this equipment is being set up to respond to the need to resolve deficient reception of Tele Rebelde and Cubavision in Manati and Amancio Rodriguez, the most critical municipalities in this respect.

He said that the investment includes two relay transmitters of different power in each location, which through highly sensitive antennas receive signals from the transmitters located in Las Tunas and Camaguey. He specified that the four sets of equipment are in the process of being adjusted and brought on line. These tasks will substantially improve signal quality in the two Las Tunas municipalities.

Risquet Views Plenums, Rectification Process

FL2206230390 Havana Radio Rebelde Network in Spanish 2154 GMT 22 Jun 90

[Report by Dulce Maria Corbelle]

[Text] Our rectification process began at the previous congress and since then, much progress has been made. Many offenses have been resolved. Things that were done shoddily have been changed. There are new styles of work, such as the creation of contingents. There have been genetic engineering achievements and the momentum has increased in the tourism program. This was stated by Jorge Risquet Valdes, member of the Politburo of the Central Committee of the Communist Party of Cuba [PCC], who presided over the plenary meeting of the Camaguey Province PCC, which analyzed the call for the fourth congress.

Risquet stressed that a singular situation exists in the world. The context is different, he said, and it is fraught with danger for our country. That is why I think this is a crucial moment for the revolution, he added. At the first congress, the participants discussed the revolution's constitution, political-administrative division, and institutionalization, he said. Sixteen years have passed and it is time to conduct an in-depth analysis, the party leader stressed. Risquet added that there are many authentic features in the people's government process, including many of our party's ideas, but we must assess the positive and negative features. In this regard, he said that the same thing is occurring in the party. Its methods with mass organizations, the Union of Young Communists, and the economic management system are also being assessed, although this last item requires a long-term study. However, he said, we can eliminate offenses which can become obstacles if we wait too long.

Risquet said that the special plenums of the provincial committees of the PCC have been (?productive) and they have allowed an important meeting with the masses to take place where everyone could say what he thinks. This, with a more open spirit, is how the discussions should take place in the municipalities and at the grassroots level, he said.

More on Aldana's Views of Provincial Plenums

FL2206171090 Havana Tele Rebelde Network in Spanish 1332 GMT 22 Jun 90

[Interview with Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, PCC, by Rosa Maria Fernandez, in Guantanamo, date not given—recorded]

[Text] [Fernandez] From the experience you have from the participation in the other assemblies held to discuss the call for the Fourth PCC Congress, what is your opinion of them and what prospects do you see concerning the impact they will have on the populace?

[Aldana] I think the process is going well, that we have resumed it with a new and appropriate spirit. I think this initial effort of reflection that the party's provincial committees have set out to do will have an impact. I think it is already having one on the subsequent steps, the municipal committees as well as the ones that most interest us, which are the consultations that should take place with the workers, the work groups, and the masses.

I think that an agenda of priorities has been created. They have resulted from our outline, from the call itself. However, it has a concrete level regarding those matters that are of more concern, that generate more interest, in which there is a certain sense of urgency for solutions.

The degree of involvement in the problems is not homogeneous. Sometimes one can see that the right approach is taken, that in-depth considerations are made, and sometimes one can see a somewhat superficial approach to complex matters. However, in one way or another, there is awareness of the work, of what we have, of what we should do to defend it, to preserve and enrich it, and that we can perfect the work.

[Fernandez] Can this awareness that you sense also give you the level of contributions the people make in the meetings?

[Aldana] There are also different contribution levels. Not every time there is an awareness of a problem and that it should be solved does it mean that alternative solutions are given. For example, when we talk about the party, about the possibility of perfecting the work, the role the party is supposed to play, the alternatives that are given are not always viable. Sometimes I believe that some things are idealized and that others are oversimplified. I would say, for example, that when an appeal is made for the government to govern and that the party concerns itself with politics, a very dangerous oversimplification is made because our party is a governing party, a party that leads society. What our party should not do is replace the government. This does not mean our party can remove itself from governing activities and do political work which would be an abstraction, detached from the economic and social phenomena to which the party ultimately also responds. Do you understand?

[Fernandez] Sure. Are there also very specific, very critical opinions, such as the disappearance of some mass organizations or the very well-defined improvement of others?

[Aldana] Yes, I also understand that. I think that no extreme is going to lead us to suitable solutions. I think that we should reflect, that all of us should have the spirit of improving, perfecting, and changing. We should not see these things in an emotional or sentimental way. We have to see them in a political sense, rigorously, and I think that within this analysis there is room for any opinion on which course we should take to be more effective. We can avoid unnecessary duplication. We can lighten a little the burden on the populance. However, the solutions must be very well-thought-out solutions in which we take into account all the circumstances that exist.

FMC Discusses 4th Congress, Role in Society

FL2306022590 Havana Television Service in Spanish 0000 GMT 23 Jun 90

[Excerpts] The role that the Federation of Cuban Women [FMC] plays in our society was clearly seen at the special plenum of the FMC in Havana City, which met today to discuss the call for the Fourth Congress of the Communist Party of Cuba [PCC].

A large part of the work session presided over by FMC President Vilma Espin was dedicated to the operations and structure of the women's organization. Several speeches were made regarding the numerous tasks the FMC now has which further distance it from its true reason for existing, which has caused grass-roots organizations in several places to function improperly. It can also be said that there is a lack of creativity and dynamics in the FMC's daily work. [passage omitted]

The party, in its call for the Fourth PCC Congress, calls on all of us to perfect all aspects of society's life. In the case of the FMC, the goal is to have Cuban women identify with their organization and this can only be accomplished when the FMC eliminates everything that distances it from its content and objectives and when it creatively does its work under the conditions that are now required.

Mention of 'Believers' in Call to Congress Hailed

PA2406015490 Havana International Service in Spanish 1400 GMT 23 Jun 90

[Text] (Raul Suarez), president of the Cuban Ecumenical Council, has said that the mention of believers on the island in the call to the Fourth Cuban Communist Party Congress is an important step toward working united for socialism.

Reverend Suarez made the statements during talks held in the eastern Province of Holguin between political leaders and religious representatives on the island. During the dialogue, criteria were exchanged on the

identity of principles between Christianity and the Cuban revolution, as well as readiness to defend the homeland against the United States.

Lezcano: Havana Defense Day Objectives Fulfilled

FL2506132490 Havana Tele Rebelde Network in Spanish 1100 GMT 25 Jun 90

[Text] Jorge Lezcano Perez, first secretary of the Communist Party of Cuba [PCC] in Havana Province, has said that Havana's objectives during defense day were fulfilled and that Havana City is ready for the state inspection that will determine if the western region is ready for defense in the first stage.

Lezcano, who is also a Central Committee member, made this assessment after a tour of various city districts. During the tour Lezcano encountered a lot of enthusiasm among militiamen, members of the Production and Defense Brigades, special groups, and the population.

Lezcano said that nearly 300,000 people participated in the exercise and that the members of the Territorial Troops Militia and Production and Defense Brigades continued with the classification program which include shooting practice in municipal ranges and other instruction areas, and other comprehensive exercises in defense zones. Lezcano said improvements have been made in the efficient use of time during defense days thanks to improvements in the field and better preparation of officers in charge of training.

Mandela Accepts Invitation To Visit Country

FL2206232490 Havana Radio Rebelde Network in Spanish 2303 GMT 22 Jun 90

[From the "Exclusivo" program]

[Text] Ricardo Alarcon de Quesada, Cuban ambassador to the United Nations, today confirmed that Nelson Mandela, vice president of the African National Congress [ANC], has accepted an invitation to visit Cuba soon.

UN observers stressed the particular significance of the fact that Mandela invited Alarcon to join him at his table during a luncheon hosted in Mandela's honor. The Cuban ambassador said he felt honored at being able to share the table of the eminent leader. Alarcon said Mandela confirmed that he had accepted the invitation to visit the island on a yet undetermined date.

Alarcon recalled the ties of friendship that bind the peoples of Cuba and South Africa, as well as the contribution his country has made in several areas regarding the just struggle waged by the ANC, symbolized by the legendary South African leader.

Havana Rejects Panamanian Delegation's Presence

FL2206233990 Havana Radio Rebelde Network in Spanish 2308 GMT 22 Jun 90

[From the "Exclusivo" program]

[Text] Reports from Caracas indicate that Cuba has objected to the presence of a delegation representing the Panamanian regime at the regional meeting on the foreign debt, which ends today in the Venezuelan capital.

Raul Taladrid, vice president of the State Committee for Economic Cooperation, CECE, and chief of the Cuban delegation attending the conference sponsored by the SELA [Latin American Economic System], rejected the presence of a delegate from a government imposed by the United States because he is not an appropriate representative of Panama.

Nicaragua's Ortega Says Cuba 'To Resist'

FL2206130990 Havana Tele Rebelde Network in Spanish 1100 GMT 22 Jun 90

[Text] Former Nicaraguan President Daniel Ortega said in Mexico that Cuba will continue to resist and that it will overcome its present situation. Ortega held a news conference during which he answered journalists' questions about his recent meetings with Cuban President Fidel Castro.

Ortega said that he and President Castro met twice to discuss their two countries' present and future relations, the links between the Communist Party of Cuba and the Sandinist National Liberation Front, and the regional and international situation.

Ortega said that Cuba is a bad example for Washington but a good example for Latin America and that all regional countries must defend the good examples. A strike against Cuba is a strike against all of Latin America, Ortega said.

Mexican Governor Visits Cuba, Meets Castro

PA2306205890 Mexico City NOTIMEX in Spanish 2055 GMT 20 Jun 90

[Text] Havana, 22 Jun (NOTIMEX) —Quintana Roo State Governor Miguel Borge Martin visited Cuba this week to learn about tourism, fisheries, and sugarcane development. The Mexican Embassy in Cuba confirmed to NOTIMEX that the governor arrived in Cuba on a "private visit" on 18 June, accompanied by a retinue of 50 businessmen, artistic directors, and state officials.

According to the official report, Borge Martin also had a private meeting with Cuban President Fidel Castro on Wednesday, 20 June, before returning to his country. The Cuban media did not report the arrival of the Mexican governor to the island, but did report that

Borge Martin had contacts with Cuban fishery officials, as well as with authorities in charge of tourism and sugarcane production.

Among those accompanying the governor were the president of the Cancun Hotel Owners Association and the president of the Quintana Roo National Chamber of Commerce. They expressed interest in learning about the development of tourism in Varadero, Cuba's most important beach, where Spanish investors are building two large hotels.

Cooperation Agreements Signed

PA2406015590 Mexico City Red Nacional 13 Imevision Television in Spanish 1200 GMT 23 Jun 90

[Report by Julio Escober]

[Text] Agreements that have been signed between the state of Quintana Roo and Cuba include the establishment of different enterprises, a sugar mill for instance, and the reopening of credit for commercial exchange between Mexico and Cuba. Upon his return from Havana, Cuba, where he stayed for one week, Governor Miguel Borge Martin said that diverse mutual cooperation agreements were signed, guaranteeing technical, commercial, and cultural exchange. Cuban enterprise chiefs offered to install a sugar mill in that state to take advantage of the region's potential for harvesting sugar cane.

Delegation of European Parliamentarians Visits

FL2306023990 Havana Television Service in Spanish 0000 GMT 23 Jun 90

[Text] A delegation of European parliamentarians arrived in our country today at the invitation of the National Assembly of the People's Government [ANPP].

Mr. Fernando Suarez Gonzalez, representative of the Central American delegation in the European Parliament, heads the delegation which met this morning with ANPP President Juan Escalona Reguera. In the afternoon, Suarez Gonzalez met with Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers.

The parliamentarians are interested in the structure and operations of the people's government in Cuba, its electoral system, and its reports to the masses. The delegation will depart on 24 June after fulfilling a work program that includes such things as a meeting with Cuban Foreign Trade Minister Ricardo Cabrisas, visits to areas of social interest in Havana, the genetic engineering center, and a tour of the principal tourism areas at Varadero beach.

PRC Peace, Disarmament Delegation Begins Visit

FL2606004590 Havana Television Service in Spanish 0000 GMT 26 Jun 90

[Text] A delegation of the Chinese People's Association for Peace and Disarmament, which is visiting Latin America for the first time, was received at the offices of the Cuban Peace and Sovereignty of the Peoples' Movement. Mrs. Cao Xiaobing, secretary general of the Chinese People's Association for Peace and Disarmament, talked with Orlando Fundora, her counterpart in Cuba.

The pacifist stated that the major task of her organization is to fight against the arms race, and she offered a broad overview of the current situation in her country, stressing the strengthening of the party, the modernization of the socialist economy, and the guarantee of greater democracy, which will contribute to more correct and scientific decisionmaking for all social development.

In an interview for this newscast, she gave us her impressions about this five-day visit and how she views the future of relations between Cuba and China.

[Begin Cao Xiaobing recording in Mandarin with simultaneous Spanish translation] Now relations, both between the two parties and between the two peoples and the mass organizations, have obtained a good level of development. I am sure that the relations between our two countries will progress very well on all fronts, in political matters as well as in economic, scientific, and cultural matters, in all respects. I am also very pleased with the development of trade between the two countries. The total of trade between the two countries is second in our foreign trade in all of America. [end recording]

PRC Trade Union Cooperation Agreement Signed

FL2206215890 Havana Radio Reloj Network in Spanish 1934 GMT 22 Jun 90

[Text] Chinese and Cuban trade union federations will increase cooperation and the exchange of expertise that is part of both organizations' plans. This was reported to the press today after the organizations held bilateral talks in Geneva.

The Cuban-Chinese labor cooperation agreement was signed after a meeting was held between representatives of the Chinese trade union federation, headed by Wang Houde, and the Cuban Workers Federation, headed by its secretary of international relations, Joaquin Bernal. The two trade union delegations agreed on the need to continue strengthening reciprocal ties, as well as reinforcing respect for workers throughout the world.

Chinese and Cuban trade union officials said that bilateral cooperation includes the coordination of efforts to increase solidarity with Latin American and Caribbean trade unions.

Commentary on Missing, 'Persecution' in Panama

PA2406190490 Havana International Service in Spanish 0100 GMT 21 Jun 90

[Commentary by Ramon Chong]

[Text] Today, 20 June, marks the sixth month after the Yankee invasion of Panama in an attempt to break the isthmian country's nationalist resolve and right to exercise its sovereignty over the canal. There has been political and legal persecution against militants of the Democratic Revolutionary Party since the dawn of 20 December, that party has recently stated.

This situation is compounded by intimidation and repression against the followers of Torrijism and mass firings that already total 18,000 people. The whereabouts of hundreds of people missing since the U.S. invasion is currently unknown. Many Panamanian bodies were burned, crushed by armored vehicles, or buried in common graves, said Isabel Corro, president of Panama's committee of missing people.

The issue of the missing is creating expectations in Panama in view of the government's secrecy when it comes to providing information about the fate of thousands of Panamanians who were victims of that invasion. In this regard you will hear excerpts of interviews conducted by the international press with human rights coordinator [title as heard] Isabel Corro:

[Begin Corro recording] In Rio Hato, Cocle Province, we encountered a few small problems as we have elsewhere: There is complete secrecy on the part of the Public Force and others there about what happened in the area or about those who were killed. We were denied access to the facilities that housed the Tomasitos [nickname given to the students at the former Tomas Herrera Military School] and Macho de Monte for lacking a safe-conduct pass.

U.S. soldiers have a checkpoint there and decide who is given access. In fact, they also even decide which Panamanian policemen may have access. Those Panamanian policemen who gain access must wear a white band around their uniform sleeves indicating that they are authorized to enter the former base of the Tomasitos.

When we arrived, they demanded a safe-conduct pass issued by the government and justice minister or the regional governor. We drove to Penonome, obtained one, and returned to pick up a Panamanian lieutenant to accompany us into the area. We were told that we could not film or take pictures, but the safe-conduct issued to us in Penonome authorized us to do so and so we did just that. We noticed that the 11th graders' dormitory was untouched. The school was untouched also. However, the 10th and 12th graders' dormitory exhibited the effects of gunshots, and a large group of youths must have been killed there. Also, the intructors' dormitory was heavily bombed. The roofs of these buildings were destroyed. [end recording]

A similar situation holds true in various places of the country that experienced horrendous moments, Isabel Corro said. The international press asked what the current government could do to provide information about the real fate of the missing and thus break the secrecy that it has maintained so far:

[Begin Corro recording] As for the military, it would be easy to check the payrolls and exclude those on active duty, fired, or discharged, and in this way come up with the number of missing people. The missing ones would have a name, code, and other forms of identification. We would obtain specific information. This has not yet been done simply because there is no interest. As for the civilians, a census could be conducted immediately and the deaths registered at the Civil Registry prior to the invasion would be excluded to yield the number of missing. [end recording]

Havana Notes 'Uncertainty' in Hungarian Capital

FL2506163590 Havana Radio Reloj Network in Spanish 1407 GMT 25 Jun 90

[Report by Alfonso de los Santos]

[Text] The Hungarian capital is today a beehive of contrasts and uncertainty even when it continues to be one of the most beautiful European cities. Between the hills of Buda and the plains of Pest, almost 30 km along the Danube, the opinions about the future of Hungary exude the most diverse hues of consumerism and concern over the high cost of living.

Most of the people of Budapest are anxious thinking about how the inflationary situation in which the country is immersed on its road toward capitalism is going to be solved. Without a variety of private merchants, the Magyar market production in all Budapest markets is displaced by goods from Italy, Austria, Belgium, or the FRG which are smuggled into the country.

Italian tomatoes? Where have our tomatoes gone? This cry of angry surprise uttered by (Maria Horback), the interpreter accompanying me, vividly illustrates the contradictions in today's Hungary. This shows that private Magyar commerce profits more from the sale of duty free foreign foodstuffs. This also happens with domestic electric appliances from neighboring Western countries.

This is the way in which the government program is fulfilled as established in one of the four fundamental goals presented by Prime Minister Jozsef Antall when he said he intended to reestablish a so-called Hungarian freedom of the press. What the program does not mention are the already noticeable consequences in Magyar daily life.

Interior Ministry Conference on Vandalism Ends

FL2206221790 Havana Radio Reloj Network in Spanish 1936 GMT 22 Jun 90

[Text] The first scientific-military conference of the Minint [Interior Ministry] on vandalism ended today in Trinidad Municipality as part of the activities marking the 25th anniversary of the end of that phase of fighting that made the Escambray one of the principal scenes. The 140 participants from throughout the country discussed 18 presentations related to the work of the Minint on operations to eliminate counterrevolutionary bands which, organized by the Yankee government, have attempted to destroy the people's work.

The National Museum on the Fight Against Bandits is located in the Sancti Spiritus municipality of Trinidad. The museum has displays related to those efforts, but it especially compiles historic statistics from 1960 to 1965. Monuments to security martyr Alberto Delgado and educator (Manuel Esconce), assassinated by bandits, are being erected in the vicinity of that museum.

Officials Discuss Upcoming UN Crime Congress

FL2306015190 Havana Radio Rebelde Network in Spanish 2315 GMT 22 Jun 90

[Report by Josefa Busi and Maria Virginia Pineiro on the "Exclusivo" program]

[Text] [Busi] Thank you. Good evening to you and to all the "Exclusivo" listeners. We are broadcasting from 21 and B Streets in Vedado where a seminar began this morning at the headquarters of the National Lawyers Union for foreign and Cuban journalists that will participate in the Eighth UN Congress on Crime Prevention and Treatment of Criminals, which will be held here in Havana. The congress begins on 27 August and extends through September.

In this seminar, Dr. Juan Escalona Reguera, president of the committee organizing the event, spoke much earlier this morning. A very important speech was also given by Cuban Attorney General Dr. Ramon de la Cruz Ochoa, also a member of the organizing committee. Juana Silvera Nunez of the International Organizations Directorate of the Cuban Foreign Ministry also spoke. A few moments ago, a special speech on crime prevention in our country was given by Vilma Espin, member of the Politburo of the Communist Party of Cuba.

The purpose of the seminar is to better prepare our journalists for this important UN event, which will include five topics: crime and development, prisons and measures, organized crime, justice for minors, and UN guidelines. It is a very important seminar for us.

My colleague, Virgina Maria Pineiro, is here with me participating in this seminar.

I would like to tell the "Exclusivo" audience that Comrade Vilma gave an important speech on the work that the more than 23,000 women, who are social workers, are doing in conjunction with the social crime prevention commissions and with political and mass organizations in Cuba that are working on this very important task of crime prevention. Vilma gave a brief history of the things that have characterized our revolution in the social justice process which, in the case of children with social problems, have truly led to social prevention work from birth to adulthood.

Many interesting things were said. For example, it was reported that there are 86 schools for behavioral problems and 16 reeducation centers where a countless number of specialists and 15,000 educators dedicate themselves to these minors. In addition, 600 specialists and more than 23,000 social workers work on a volunteer basis. The social prevention commissions and the people truly do interesting work in our country to prevent crime. I think that Cuba is the best location for this eighth UN congress.

My colleague, Virginia Maria Pineiro, will provide more information on the speeches made by Escalona and the other comrade.

[Pineiro] Thank you, Busi.

Escalona said that the event is the most important UN meeting on penal law and he mentioned the U.S. Government's attempts to prevent the meeting from being held in Cuba. He said that the United States voted against having the meeting in Cuba so it could later minimize the participation of foreign delegations at the Havana forum. Nevertheless, government representatives from the five continents are expected to attend.

The president of the Cuban legislature referred to international curiosity toward knowingt happens in a small, revolutionary country which has a single language and ideology and is led by a communist party, such as ours. We will confront this test, Escalona said, but we will also demonstrate the truth of our democracy and the progress attained with the new penal code. The congress will be a scientific and criminological event and, he added, it will not be a political confrontation. On the contrary, he added, it will be the ideal place to analyze all topics related to international cooperation regarding crime prevention and penal justice for the 21st Century.

De la Cruz Ochoa told the press that although the congress does not include such topics as the application of the death penalty and AIDS, Cuba is not concerned about their exclusion. He said that the death penalty is applied in our country in exceptional cases. Regarding AIDS, there are appropriate programs for this disease, he added, and this illness is considered to be a social problem. Those who do not wish to discuss these topics are the leaders of the United States, where the death penalty is possible for minors and for people with psychological problems.

The only thing I have left to stress is that, according to all the information received, Cuba is ready to host a congress that is better than the one held in Milan in 1985.

Havana Reports Arrival of Soviet Naval Fleet

FL2506181890 Havana Cuba Vision Network in Spanish 1700 GMT 25 Jun 90

[Text] A Soviet Naval detachment arrived today at the port of Havana on an official visit. The detachment is composed of the antisubmarine vessel Azov, the destroyer Gremyashchy, and the tanker Gasanov. These surface units are commanded by Real Admiral Aleksandr Vasil'yev Gorbunov, chief of the Black Sea fleet, who received Ship Captain Rene Gonzalez Machado, deputy chief of the Cuban Revolutionary Navy and chief of staff, at the Soviet flagship. [video shows ships, part of the crew, and officers embracing]

Later, the chief of the Soviet naval detachment visited the Navy General Staff where he was received by Rear Admiral Pedro Perez Betancourt, alternate member of the Communist Party of Cuba Central Committee, vice minister of the Revolutionary Armed Forces, and chief of the Cuban Revolutionary Navy.

The crew of these naval units will visit various places of interest during their stay in this country. Beginning on Wednesday [27 June] morning, the people will be able to tour the units composing this Soviet naval detachment.

91 Soviet Veterans in Country for Treatment

FL2506131090 Havana Tele Rebelde Network in Spanish 1100 GMT 25 Jun 90

[Excerpt] Another group of 10 Soviet veterans who were wounded and mutilated in Afghanistan have arrived in Cuba. With this group, there are now 91 Soviet veterans who have come for treatment at the Frank Pais Hospital.

The last group of 17 patients are expected to arrive this week. They will complete the group of 108 patients that will be treated during the fist stage. These patients are part of a larger group of 300 who were selected in various Soviet cities by a commission headed by professor Rodrigo Alvarez.

Twelve veterans from the first group of patients have already returned to their country. [passage omitted]

Raul Castro Attends Funeral of Almeida's Mother

FL2206132990 Havana Tele Rebelde Network in Spanish 1100 GMT 22 Jun 90

[Text] Army General Raul Castro, secretary of the Communist Party of Cuba Central Committee and first vice president of the Councils of State and Ministers, has attended the funeral of Comrade Rosario Bosque Montalvo at Colon Cemetery in Havana.

The minister of the Revolutionary Armed Forces, and other party and government leaders accompanied Rosario's children, including Commander of the Revolution Juan Almeida Bosque. Ramon Pez Ferro, head of the International Relations Department of the National Assembly of the People's Government, characterized Rosario Bosque as a model mother, wife, and revolutionary leader. Her name is registered in the history of our war of liberation, Pez said.

Bahamian Businessmen Arrive for Trade Talks

FL2106211390 Havana Radio Reloj Network in Spanish 1936 GMT 21 Jun 90

[Text] For the purpose of exploring opportunities to develop trade in Cuba, a group of Bahamian businessmen will be in the country though 23 June to hold talks with their Cuban counterparts at several working sessions. Sponsored by the Chamber of Commerce of the Republic of Cuba and the Young Organization of the Bahamas, the meeting began today and its agenda includes such topics as our country's ties with Latin America and the Caribbean. Other topics that will be discussed are Cuba's willingness to study trade proposals with the visitors and other countries, especially in the tourism sector.

The opening session was headed by Segundo Abeledo, vice president of the Cuban Chamber of Commerce, and (Franklin Wilson), president of the International Organization of Bahamian Businessmen, which has affiliates throughout the world.

Haiti

Presideat Trouillot Addresses Nation 23 Jun

FL2506181690 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jun 90

[Excerpts] Saturday [23 June] night, Haiti's president decided to make a speech over television. [passage omitted]

In her message over radio and television, Mrs. Trouillot forcefully condemned Thursday's [21 June] attack on the State Council which left one person dead and two wounded [There has been a second death. State Council member Serge Villard died June 24 of wounds sustained durirg the attack.] She called the incident scandalous. She also acknowledged that the wave of insecurity is what most upsets and worries the Haitian people, and said she has asked Army head General Herard Abraham to take quick, effective action to restore peace so confidence can return to Haiti.

She also asked the police and the judiciary to apprehend and sanction the criminals. Solemnly reaffirming that her fundamental mission is to lead the country to free elections, she announced that a civilian corps of agents of the public peace is to be created, a corps which will work alongside the police.

We can control insecurity so the people can vote freely and without fear. Now is not the time for us to divide, not a time for discord. There is much to be done to save the nation.

Mrs. Trouillot condemned those who do not want elections held in the country, without stating clearly whom she meant. [passage omitted]

[Begin Trouillot recording in French; in progress] ...from a blind hostility to change coming from different and even diametrically opposed sectors which for diverse but convergent reasons are secretly or openly opposed to the holding of elections in Haiti. Everyone is aware of the different methods of destabilization, of vain and deplorable division, being employed—methods which are even affecting the different government authorities, a government within which I am determined to, with the State Council, seek a new basis for agreement and consensus with mutual respect for the inherent manner—a manner that is also indispensable to—the dignity of our common, shared mission. [sentence as heard] This mission condemns us, both, not only to live with each other but especially to share and shoulder jointly responsibility for both success and failure.

It is no longer time for discord. I invite all sectors of the nation to concerted action, to positive reflection that goes beyond petty sectarian interests. We all have a country to save, a country which is ours and which we want, tomorrow, to be our childrens'.

From the moment I accepted the Republic's provisional presidency; I was clear and direct regarding the main lines of this government's mission. Since my fundamental task was to lead the country and the transition to general elections under the best possible conditions of freedom, security, and credibility, I channeled most of my efforts in that direction. And at the moment when the Provisional Electoral Council is on the verge of setting in motion the so greatly desired process, [words indistinct], as if by chance, a wind of sedition [fronde] and of diverse intrigues blowing over Haiti, appearing in the form of irresponsible statements, hateful crimes, scandalous attacks, and all kinds of obstructions to the proper functioning of public administration. [end recording] [passage omitted]

Further Reaction to Attack on State Council

FL2506162890 Port-au-Prince Radio Metropole in French 1600 GMT 22 Jun 90

[Report by Jean Max Blanc, in Creole]

[Excerpts] [passage omitted] It is with words full of anger and indignation that political leaders have expressed their opinion of the attack on the State Council. [passage omitted]

We note that most of the leaders associate the attack with the decision they describe as heavy-handed by President Ertha Pascal Trouillot to appoint Mrs. Violene Legagneur finance minister.

Louis Dejoie, leader of the National Agriculture and Industrial Party, thinks the prolonging of this stupid conflict that the choice of Mrs. Legagneur created between the government and the Council of State does not do the provisional government's credibility any good. Not only does Dejoie consider the finance minister's appointment a violation of the protocol agreement signed by the president—an agreement that said the president would not make any decisions without the Council of State—but he also thinks that the survival of both branches [the executive and the State Council] depends on the finance minister's resigning immediately. [passage omitted]

Turneb Delpe, head of the National Democratic Progressive Party of Haiti attributes the 21 June attack to Mrs. Trouillot's choosing of Mrs. Legagneur as finance minister, which he considers a provocation. Delpe adds that Mrs. Trouillot must bear responsibility for this attack.

[Begin Delpe recording] [passage omitted] Now we realize that there really is a plot to destroy the State Council. There have been constant rumors of such a plot. This is not, however, just aimed at doing away with the Council. They are out to physically attack its members! [end recording]

Rene Theodore, head of the Unified Party of Haitian Communists, says the macoutes are playing their last card on the eve of the publication of the electoral law. Theodore adds that this is a gauntlet the macoutes are throwing down to the democratic sector in particular and the Haitian people in general.

[Begin Theodore recording] [passage omitted] This is a last machete blow they are trying to deal us, but they will be doing it against a people that has risen up, a people that is not in the least willing to return to repression! Thus, they are not going to get far. They will kill a few people. However, the winds of history too sweep things away!

We think that the Haitian people today have all the resources they need. They have [words indistinct] so as to have reason to triumph, and we think the Haitian people can succeed in stabilizing the nation's situation and effect the democratic transition that is today a historical necessity. [passage omitted] [end recording]

In any case, this attack comes at a time when many slogans favorable to the government and hostile to the State Council are appearing on walls in the capital. Furthermore, the bandits committed their attack less than 24 hours after the men who provide security at the Finance Ministry openly threatened the members of the State Council during a poll we were taking at the Finance Ministry to learn how the employees felt about Mrs. Legagneur's being finance minister.

CEP President Concerned Over Lack of Security

FL2506172790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jun 90

[Excerpts] [passage omitted] Jean Robert Sabalat, president of the Provisional Electoral Council [CEP] in charge of holding the future general elections in Haiti, said this weekend that the CEP is seriously concerned about security, which it has never been given. That is why, following the attack on the State Council, they postponed the electoral law, which they were to have presented to the press Friday [22 June]. [passage omitted]

The CEP decided last Friday to publish a press release announcing that it was postponing its decision to make the electoral law public Friday through the press. Interviewed by one of our colleagues, Sabalat informed the public on the status regarding the matter of security so elections can be held in Haiti.

[Begin Sabalat recording] Regarding security, I would like to ask you a question. You just came in here, right? What kind of security did you see at the entrance? Did anyone stop you? Ask you what you came to do? Did you see the guard providing security for us here?

You have brought up a big problem, because after what happened yesterday, especially, and until now, those of us working here still have no security.

Two things happened last week that I pointed out to the police. First, a flaming barricade was erected in front of the CEP, right in front of the entrance gate, and the people who erected the barricade voiced threats against us. They said: We will come get them later. They are selling out the country.

No armed authority has to this day ever come and asked us, in this connection, what happened.

Also, three days ago, I am told that a red Rocky Daihatsu [jeep] came up to the gate. Our drivers stopped it and asked the occupants to identify themselves. They refused to identify themselves. One of them pulled out a pistol and said: Well, we can come back for them later. We will come get those murderers.

Up to now, despite this, we have not yet received a single visit from either the Army or the police here—not ever! [end recording]

Constitutional Watchdog Committee States Position

FL2506170690 Port-au-Prince Radio Metropole in French 1600 GMT 22 Jun 90

[Text] The Unity Committee for the Respect of the Constitution declares, in the name of civilian society, that Haitian public opinion has indignantly learned of, and energetically condemns, the murderous and fascist attack against members of the State Council and different popular organizations of civilian society. The Committee feels that moral and political responsibility for such aggressions falls to President Ertha Pascal Trouillot, who, by refusing to respect the 4 March 1990 protocol agreement, is maintaining a climate of crisis and setting an example of scorn for the law.

Responsibility falls, next, to the commander in chief of the Haitian Army—who is incapable of assuring, or has been prevented from assuring, or does not wish to assure the security to which the entire Haitian community aspires; to the foreign governments that make light of the insecurity we are confronting and do not take into account, in their calculations, our people's desire and vital need to rid themselves of dictatorship; to certain candidates so obsessed with charging towards elections that they manage to set aside all political ethics and minimize the perjury and false information published in the nation's official gazette; and to those who in their radio broadcasts and their weeklies call, in the purest fascist style, for violence.

The Unity Committee denounces the the current authorities' reluctance to effect any kind of change, an ultraconservatism that constitutes a hindrance to the unfettered, honest elections that are to lead to the setting in place of a legitimate government that is both representative and constitutionally elected.

The Unity Committee asks the Haitian people to support more than ever the State Council, which has become the target of the partisans of a personal, uncontrolled government. The heirs of Duvalier, Namphy, and Prosper Avril, as well as the foreign governments that support them, are looking for a way to eliminate the Council. We must not lose it, for the State Council today constitutes a guarantee of political morality and respect for the popular will.

The Unity Committee expects the credible members of the ministerial cabinet who do not want to sanction either those preparing another 29 November or 17 January or those planning another American occupation of Haiti, publicly to take a stand in favor of having the 4 March protocol agreement be scrupulously respected .

To honor the memory of all the victims who have fallen from 1986 to the present, the Unity Committee makes a commitment to continue the struggle until the advent, in Haiti, of a rule of law where citizens will no longer have to submit to either the arbitrariness of the authorities or macoute barbarity.

The Unity Committee supports the national day of mourning and indignation announced for tomorrow, and asks the population to mobilize to support the State Council and prevent Duvalierist fascism from returning to Haiti under any form whatsoever.

This communique is signed by Denise Fouchard, Mrs. Gladys Lauture, [Father] Antoine Adrien, Renaud Bernadin, Micha Gaillard, Pierre Gaston, Patrick (Elie), and Antoine Izmery, members of the Unity Committee for the Respect of the Constitution of 1987.

Deputy Foreign Secretary Will Travel to Cuba

PA2506220790 Mexico City NOTIMEX in Spanish 2017 GMT 25 Jun 90

[Text] Havana, 25 Jun (NOTIMEX)—Mexican Deputy Foreign Relations Secretary Sergio Gonzalez Galvez will make a "quick" visit to Cuba tomorrow where he will meet with Cuban Vice President Carlos Rafael Rodriguez.

The Mexican Embassy in Cuba has told NOTIMEX that Gonzalez Galvez will arrive in Havana tomorrow on a Mexican Air Force plane. He will stay in Havana until 28 June and will then travel to Jamaica for a short visit to the Caribbean nation.

According to Mexican diplomatic sources, the purpose of the deputy secretary's visit is to review the current state of relations between both countries to prepare for the next Cuban-Mexican bilateral meeting.

Gonzalez Galvez's official schedule includes a meeting with Cuban Vice President Carlos Rafael Rodriguez, who met in Mexico with Mexican President Carlos Salinas de Gortari earlier this month before the latter met with U.S. President George Bush in Washington.

While Rodriguez and Salinas de Gortari were meeting in Mexico, Gonzalez Galvez was presiding over the 20th OAS General Assembly in Asuncion, Paraguay, where there was much talk over a possible request to have Cuba return to the OAS.

With nothing in the works for Cuba to return to the OAS, Gonzalez Galvez traveled from Asuncion to Washington to participate in the Mexican president's visit to the United States earlier this month.

During his visit to Cuba, which will last a little over 24 hours, Gonzalez Galvez could meet with Cuban President Fidel Castro, but this was not included in his work schedule, unofficial sources, who asked to remain anonymous, told NOTIMEX.

The Mexican deputy secretary will also hold meetings with the various Cuban ministers. He will have a tight schedule in which to prepare for the next Mexican-Cuban bilateral meeting, which should have been held last year.

Costa Rica

LA NACION Reports on Pro-Libyan Group

Part One

PA2606040990 San Jose LA NACION in Spanish 15 Jun 90 p 5A

[Report by Rodrigo Peralta G. and Tomas Zamora O.]

[Text] 17 April 1986.

2030...

Boom!

An explosion shook that calm San Jose night.

Four persons lay wounded in front of the former site of the U.S. Consulate in San Jose.

A fragmentation grenade exploded, and from then on, the nightmare of terrorism reemerged in the country.

That night, no one, not even the police, imagined that the attack was one of several Libyan missions planned to be carried out in our nation. Four years after that first incident, the Santamaria Patriotic Organization [Organizacion Patriotica Santamaria—OPS], a Costa Rican group apparently responsible for that and two other attacks, has been disbanded.

According to judicial investigations, the base of the terrorist group was mainly in Canas, Guanacaste, and Limon. According to the authorities, 15 of its 21 pro-Libyan members are under indictment. The other six, whose names were not released by the police, are on the run.

According to what is stated in court document No. 333-C-90, investigations by the Judicial Investigations Agency (OIJ) implicate those Costa Ricans in a program of international terrorism promoted by the Libyan Government, which sought to attack U.S. offices in Costa Rica and begin a plan to establish a political system similar to that of the African country.

The OIJ investigations found that the accused reportedly received terrorist training in Libya. Some apparently were in Libya for up to 5 months.

It is presumed that several members of the OPS participated in insurgent activities of the Farabundo Marti National Liberation Front (FMLN) in El Salvador and the 19 April Movement (M-19) in Colombia.

According to the indictment issued on 9 March 1990 against 15 Costa Ricans for three attacks, the OPS was created at the beginning of 1985, when a number of trips to Libya were first planned. The group apparently became affiliated with the Free America Battalion [Batallon America Libre], a pro-Libyan Latin American organization that operates on this continent.

April was important for the group because that month, Libya commemorated the U.S. bombing of its capital, Tripoli.

The organization planned to stage attacks on U.S. offices in Costa Rica during that month every year to "remind the United States of its aggression."

First. The grenade exploded in front of the U.S. consulate on 17 April 1986. The wounded were: Jeannette Alvarez Alavrez, Sergio Munoz Mejia, Ignacio Vega Bustos, and Carlos Luis Perez Hidalgo.

According to the authorities, the suspects are William Fait Villalobos—who supposedly launched the grenade—Franklin Porras Gonzalez, and Livia Cordero Gene. These individuals were presumably traveling in a rented Toyota, with license plate No. 105714, which was rented by Porras.

The terrorist action was quick, but not very accurate because the U.S. Consulate sustained only slight damage.

Second. A bomb was found in front of Enrique Carballo Vega's house at 2200 on 27 April 1987. Carballo Vega's house is located on the southern side of the U.S.-Costa Rican Cultural Center. The bomb was defective and only the fulminating powder exploded. No one was hurt.

Investigations indicated that this case was linked to a communique issued by the OPS—later the self-styled Army of Democracy and Sovereignty (EDS) [Ejercito de la Democracia y la Soberania]—which expressed its total rejection of a U.S. presence in Costa Rica.

Third. A fragmentation grenade exploded near the Cultural Center at 0800 on 19 April 1988. Alice Feister, Alvaro Salas Porras, Shaley Partian, Virginia Sanchez Sirias, Liliam Quesada Solano, and Oscar Bogantes Cruz were wounded. The grenade had been placed in a glass jar that also contained a small amount of another type of explosive material and pellets that caused a machine-gun effect when the grenade exploded. It was a time bomb.

After this incident, a communique was found in a telephone booth at Paseo Colon. The note criticized the administration of Dr. Oscar Arias for its supposed overindulgence of the United States. According to police investigations, this attack was allegedly carried out by Domingo Solis Solis and Bolivar Diaz Rojas.

Investigations also revealed several additional actions that were supposedly carried out by OPS members in Costa Rica and Panama to finance its activities.

The OPS staged a holdup on 29 July 1989. The robbery, however, was thwarted by Panamanian officials who arrested two Costa Ricans and killed another two.

The Supreme Court of Justice has reported that the accused Livia Cordero Gene, Franklin Porras Gonzalez, Edgar Lopez Barrera, and Domingo Solis have not been released. The remaining 11 persons accused were assigned bail and released. Norberto Salinas Olle,

German Guendel Angulo, and William Fait Villalobos were given the highest bail. The court set their bail at two million colones each.

This legal case is presently "blocked" at section two of the second superior criminal court because an appeal was presented against the proceedings. Meanwhile, the case of the loud explosions, bearing the OPS trademark, remains unresolved.

Part Two

PA2606042990 San Jose LA NACION in Spanish 16 Jun 90 p 5A

[Report by Rodrigo Peralta G. and Tomas Zamora O.]

[Text] The identification of constant visits abroad, wiretaps, and seized documents are part of the evidence held by the judiciary agents against members of the Santamaria Patriotic Organization (OPS), charged here with committing several attacks between 1986 and 1988.

According to authorities, this group was created in early 1985, after Costa Ricans contacted through unknown means the government of Mu'ammar al-Qadhdhafi, apparently for the purpose of converting the OPS into an affiliate of the Free America Battalion, a pro-Libyan Latin American terrorist group.

Relations between the OPS and the regime of that African country began with the planning of several visits to Libya.

In early 1985, the group was initially comprised of five Costa Ricans. This number increased to 16 by the end of the year, according to court case document 333-C-90.

However, several of them traveled because "they were told it involved a political training course." Afterward they learned in Libya that it was a military training course.

The idea, apparently, was to create a Costa Rican political organization, but later there was a change of plans ordered by the Libyans, for reasons yet unknown.

That deceit caused more than a few of its members to become disgruntled, and they were later removed from the OPS.

The visits continued, however. In October 1987, nine Costa Ricans apparently linked with the group left for Libya and stayed there for five months. One of them, Bolivar Diaz Rojas, who authorities identified as one of the OPS leaders, stayed in Libyan territory for seven months, according to the 9 March indictment.

In August 1989, 12 union members of a national federation went to Libya. They were reportedly invited by Mu'ammar al-Qadhdhafi to commemorate the anniversary of the Libyan revolution. According to police reports, they stayed there for almost three months. According to the judiciary findings, at that time, a ticket to Libya by way of Panama-the Netherlands-Tripoli cost 210,295.25 colones, while a ticket by way of Panama-Spain-Tripoli cost 143,784.05 colones.

The indictment of those accused of staging attacks here indicate that the persons who traveled to Libya did not have this money within their reach. Perhaps the evidence states such costs were covered by the government of Al-Qadhdhafi.

However, there was an information leak. Apparently, the OPS members found out that national authorities had learned of their existence. Fearing they would be found out, they changed the name of the group to that of Army of Democracy and Sovereignty (EDS), but their purposes remained being totally supportive of Libya.

On 22 July 1988 at 0900, the OPS attacked an Alpre Company vehicle, which was carrying the payroll for the workers of the "El Ensayo" farm owned by that company in Liberia, Guanacaste.

The attack occurred in Potrerillos de Quebrada Grande in Liberia. Three men, one dressed as a rural guardsman, another as a Red Cross member, and the third one pretending to be injured, convinced the occupants of a Toyota vehicle, with license plate CL-96529, to stop. Then, all of a sudden a fourth individual who was hiding along the side of the road came out with a machine gun and intimidated the vehicle occupants. The authorities presume that those who participated in the attack were Domingo Solis Solis, German Guendel Angulo, Ricardo Araya Almanza, and Francisco Guier Almanza.

Allegedly they made off with 257,000 colones, which they used to finance the attack carried out several days later against the Banco Exterior de Espana in Panama.

This action was carried out in David, Panama on 29 July 1988—that is, seven days after the one carried out in Liberia. The bank assault, however, was not as successful as the OPS had hoped. Araya Almanza and Guier Almanza were killed in a shootout with Panamanian authorities.

Solis Solis and Guendel Angulo, who were arrested during the bank assault, apparently escaped from a prison in Chiriqui on 20 December 1989, hours after U.S. troops invaded Panama to overthrow General Manuel Antonio Noriega. Allegedly the OPS contacted a Panamanian identified by authorities as Conrado Cuevas Zelaya, who in June and July 1988 met here with some of the suspects at the home of Livia Cordero Gene, apparently to plan the bank assault in Panama.

Norberto Salinas Olle, who is related to the owner of the company, was implicated in the bank assault. According to authorities, he apparently insisted that the payroll be transported on that day.

Also, Salinas Olle presumably made frequent visits to Solis Solis. From him the authorities seized a .357 Magnum handgun, which was registered under the name of Salinas.

Also, a book entitled: "General Manual for Combative Training of Urban Guerrilla Militias" was found at the home of Cordero Gene. According to findings, it was a subversive manual on military warfare tactics, techniques, and strategy. An EDS handout was also found there.

The authorities determined that Cordero had two bank accounts, one in national currency and another in dollars. Such funds were apparently used to cover organizational costs.

Together with these findings, the OIJ [Judicial Investigation Agency] collected several tapes of telephone calls which allowed them to "tie up" the case.

Nonetheless, the judicial situation of each of the accused has still not been resolved. A writ of appeal has been submitted before the second courtroom of the Second Penal Superior Tribunal on the ruling handed down last 9 March by the 4th Court of Arraignment.

This trial against 15 Costa Ricans charges them with responsibility in three terrorist attacks committed between 1986 and 1988, as well as other crimes with which they are charged.

The persons accused have refused to make statements to reporters, despite the fact that reporters have insisted before their defense attorneys.

Only Guido Velazquez Acuna made statements to the press last 12 February, after being imprisoned in San Sebastian. On that occasion he claimed to be a "political prisoner" arguing that all the charges against him were due to "a campaign of political and labor persecution." There are still many things that remain to be said in this case.

Therefore, it is estimated that the history of this group is still not over.

El Salvador

FMLN Communique on Armed Forces 'Position'

PA2506223990 San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Jun 90

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, General Command in San Salvador on 22 June]

[Text] 1. The FMLN has been making specific steps and adopting clear positions that confirm its willingness to make all the necessary efforts to reach feasible, fair, and realistic agreements regarding purging the Armed Forces, ending military impunity, and the demilitarization of the Salvadoran society. Meanwhile and in the middle of the peace negotiations in Mexico, the Armed Forces issued a communique on 20 June 1990 that, in addition to the subterfuges it contains, drastically expresses the Armed Forces' opposition to the discussion of the aforementioned issues at the negotiating table. Thus, the Armed Forces' position deprives the government negotiating commission of its authority at the talks. It is useless for the Armed Forces to try to conceal the fact that the FMLN has presented specific proposals regarding the Armed Forces while the government presents neither proposals nor responses, although it is committed to do so and although Coprefa [Armed Forces Press Committee] cannot affect that commitment.

2. This public statement by the Armed Forces confirms that they are the supreme power within the current Salvadoran political regime and that they are not willing to change that situation. The Armed Forces have clearly stated that their posi'ion prevails over all civilian power. They have said that they are neither willing to reduce their size nor demilitarize the Salvadoran society, thus proving that they will not abide by the decisions made at the negotiating table if these decisions affect the limits that they have arbitrarily established. This position emphasizes the urgent need to totally and radically demilitarize the country. This need is a requirement we must meet to have real democracy in El Salvador and to make civilian authority definitively prevail in our country. This objective demands the dynamic participation of all the Salvadoran people in order to defeat military intransigence. All of the country's groups must struggle for society's demilitarization and the attainment of true democracy.

3. The Armed Forces communique is part of a campaign being waged by Cristiani's government, the Armed Forces High Command, and the U.S. Embassy. The purpose of this campaign is to influence discussions in the U.S. Congress about the reduction of the U.S. aid to the Salvadoran Government. The communique manipulates the facts, tries to conceal the inflexibility of the Armed Forces' position, and tries to blame the FMLN for a military escalation that they are promoting when they speak about a possible guerrilla military offensive. Meanwhile, in practice and while the negotiations are taking place in Mexico, the Armed Forces are conducting large military operations in San Vicente, Cuscatlan, Cabanas, San Salvador, and Chalatenango Departments and in the eastern part of the country. In this operation the Armed Forces are using elite battalions, brigades, and detachments. In view of this operation, the FMLN reaffirms its legitimate right to defend itself offensively from all military attacks carried out by the Armed Forces.

4. The Armed Forces have expressed its willingness to demobilize as long as the FMLN lays down its weapons, using as an argument the recent disarming of the contras in Nicaragua. This shows the desperation of the high command, which knows that the situation in El Salvador is completely different and has its own origin. It also shows that the high command is afraid because in El Salvador, contrary to what occurred in Nicaragua, two well-defined counterparts, the Salvadoran Government and the FMLN, are negotiating directly at the bargaining table.

5. After 10 years of a bloody war the time has come in El Salvador when all social groups and political forces must make a great effort to find a negotiated political solution that can open new prospects for developing the political process. It is time for the Armed Forces to recognize that such a solution calls for a drastic change in the role that it has played in the Salvadoran political reality as an instrument of the political domain it exerts over the other state organs subordinating the civilian society.

We have entered the initial phase of a period during which the country's total demilitarization must be achieved.

6. Finally, facing our people to whom we are committed, the international public, and our political and military enemies, and with total responsibility and frankness we state that there will be no demobilization of the FMLN military forces unless there is a real and verifiable demilitarization of political activities within the Salvadoran society.

We have adopted this position to guarantee the establishment of a real democracy in El Salvador, through which the people as a whole with no exceptions and totally free of constraint can choose the type of social order that better suits their interests in a peaceful and sovereign manner.

The time is near when the long night of militaristic domain over the Salvadoran society shall end, and a new day will begin in which the sun of real democracy will bring peace with social justice for the benefit of all Salvadorans.

FMLN General Command

El Salvador, 22 June 1990.

Rebel Commander Speaks of Cease-Fire Possibility

PA2306205690 Madrid EFE in Spanish 1807 GMT 23 Jun 90

[Text] Oaxtepec, Mexico, 23 Jun (EFE)—Salvadoran guerrilla Commander Ferman Cienfuegos said here today that as a result of the current talks the guerrillas and the Salvadoran Government could reach an agreement for a cease-fire in September.

Cienfuegos told the media that negotiations between the two parties are complex because both must consult the sectors they represent about the proposals being discussed in this Mexican city under the mediation of Mr. Alvaro de Soto, the representative of UN Secretary General Javier Perez de Cuellar.

Cienfuegos accused the Salvadoran Armed Forces staff of exerting pressure on the leaders of the political parties of El Salvador so no agreement is reached. He said that the staff is calling on the leaders of the political parties so they do not insist on a purge in the Armed Forces.

Cienfuegos noted that at the personal level there is an atmosphere of cordiality because, he said, we are like Cain and Abel. Many of us, he added, know each other from a time before the conflict begain 11 years ago, and we can recall our school days, but at the negotiations table the talks are conducted in a professional and serious manner.

On 9 June, during an official visit he made to Mexico, Salvadoran President Alfredo Cristiani pointed to 15 September as the date when a commitment that could represent the beginning of the demobilization of the Farabundo Marti National Liberation Front [FMLN] could be reached.

On that occasion Cristiani said that once the peace agreements are reached, the FMLN will have from two to six months to become a political party and join El Salvador's political life as a disarmed force.

Cristiani said that once peace is secured in El Salvador, the government will reduce the size of the Army which currently is 54,000 soldiers strong.

As has become routine since last Tuesday [19 June], the representatives of the two sides swam and exercised before renewing the discussions in Oaxtepec, in the State of Morelos, 100 km south of Mexico City.

Sources close to the FMLN said that the guerrilla leaders have delivered to the Salvadoran Government a proposal demanding an immediate response to the call for a purge in the Salvadoran Armed Forces.

The government delegation, which is headed by Justice Minister Oscar Santamaria, has neither denied nor confirmed the guerrilla report.

The representatives of the two groups will have a recess tomorrow. The dialogue will be renewed on Monday [25 June] and it will probably conclude Tuesday [26 June] with a news conference presided over by Alvaro de Soto.

'Significant Progress' Made in Mexico Talks

PA2506230190 Madrid EFE in Spanish 2121 GMT 25 Jun 90

[Text] Oaxtepec, Mexico, 25 Jun (EFE)—The Farabundo Marti National Liberation Front (FMLN) and the Salvadoran Government have succeeded in making significant progress in the search for peace in El Salvador during the round of negotiations that concluded in the Mexican city of Oaxtepec today.

Alvaro de Soto, representative to the talks of UN Secretary General Javier Perez de Cuellar, said that there is a clear commitment from the two sides to reach agreement within the scheduled period of time to reach a cease-fire in September, as the agenda signed in Caracas on 25 May establishes.

Today, at the end of the meeting, which began on 19 June in Oaxtepec, 100 km south of Mexico City, De Soto stated that the Armed Forces issue had been discussed in detail.

According to the announcement by Alvaro de Soto, the meetings will continue between 20 and 25 July in Costa Rica or Mexico.

De Soto added that although no definitive agreements were reached in Oaxtepec regarding the Army, the two delegations also discussed issues such as the protection of human rights in El Salvador, the second issue of discussion according to the agenda drafted in Caracas.

According to De Soto, during this meeting there was a favorable attitude toward dialogue, which is unprecedented in the history of the dialogues between the Salvadoran Government and the guerrilla movement.

The UN representative stressed that the results of this meeting will complement the results of the upcoming meetings and will be the basis for future agreements.

In De Soto's opinion, the two delegations understand the problem that the negotiations are confronting, especially with regard to purging and reducing the size of the Army and the end of impunity for crimes committed by its members.

During a news conference held after the meeting today, Commander Jorge Shafik Handal, chief of the FMLN delegation, indicated that the FMLN would agree to a cease-fire supervised by the United Nations as long as some Army officers who have been killing people for years are not expelled. [sentence as received]

Handal stated that the FMLN has requested the expulsion of a group of Armed Forces officers and the dismantling of the repressive police forces, which are basic requirements to attaining peace. He also urged the United States to assume a role in bringing peace to El Salvador, because the approval of new military aid permits the financing of the Army until 1991 and seems to invite the guerrillas to stage a new offensive.

The government delegation left Oaxtepec once the meeting ended without making any statements. The delegation was led by Justice Minister Oscar Santamaria and included Colonel Mauricio Vargas, commander of the Salvadoran 3d Infantry Brigade and main military negotiator.

Since 19 June, delegations of the Salvadoran Government and the FMLN met in Oaxtepec along with De Soto in an atmosphere free of tension. According to remarks from both sides, they were surprised at the easy flow of dialogue.

On 23 June, after a number of leaks from FMLN sources which indicated, among other things, that they were negotiating the purge of 200 officers—equivalent to 10 percent of the officers in the Salvadoran Army—both sides expressed concern about the effects such reports might have in their country.

Nevertheless, both the government and the guerrillas said the reports were inaccurate and ruled out a break in or deterioration of the atmosphere in which the dialogue was taking place.

Meanwhile, FMLN leaders in El Salvador announced that if there was a stalemate in the negotiations, they were ready to launch an important offensive.

At the same time, hard-line Army officers pressured President Alfredo Cristiani, telling him that he should not trust the guerrillas.

The civil war in El Salvador, the smallest country in Central America, with a little over 21,000 square km and seven million people, began 11 years ago. To date, it has claimed more than 70,000 lives and $4 billion in losses.

FMLN Conditions Cease-Fire to U.S. Aid Suspension

PA2606025190 Mexico City NOTIMEX in Spanish 2341 GMT 25 Jun 90

[Text] Oaxtepec, Morelos State, 25 Jun (NOTIMEX)—The suspension of U.S. military assistance to the Salvadoran Government and Armed Forces is an essential condition for the cease-fire in this Central American country, the FMLN [Farabundo Marti National Liberation Front] has said here.

The FMLN proposal was announced today at the conclusion of the round of negotiations it has held since 19 June with representatives of President Alfredo Cristiani's government.

The FMLN representative, Jorge Shafik Handal, reiterated that the guerrillas are conditioning the cease-fire to the United States suspending the military financing of the Salvadoran Armed Forces and government.

Handal said that even though the FMLN and the government have not reached specific agreements, "the positive aspect of these talks is the fact that for the first time we discussed in a frank and open manner the role of the Armed Forces in El Salvador."

Handal, who led the FMLN delegation, added that "actually, our stands are still quite distant, but this does not mean that we are back to where we started. Now, each party has a clear picture of what the other party wants."

He said that the Salvadoran Government delegation agreed to the next round of negotiations to discuss the pacification of El Salvador being held from 20 through 25 July."

To this effect, FMLN Commander Nidia Diaz has said that the meeting will be held in San Jose, Costa Rica, and that government representatives should present answers to the rebel proposals presented at the Oaxtepec meeting.

The guerrillas, Handal emphasized, basically asked for the dismantling of the National Directorate of Intelligence (DNI), "which means the beginning of the dismantling of the military dictatorship."

Likewise, he emphasized that there must be a purge of the Armed Forces, and members of the military who commit crimes should no longer go unpunished. He also demanded the dismantling of the security corps and an end to permanent (forceful) recruitment.

The rebel leader pointed out that the FMLN does not demand a "final judgment" against the military and the elimination of the Armed Forces. "We only demand that those who arrest and murder people be dismissed from the ranks," he stressed.

This is how this round of negotiations concluded. The FMLN and Salvadoran Government representatives met for six days in a Mexican resort with the mediation of UN representative Alvaro De Soto.

During the six days of work, the parties were only able to thoroughly analyze the first point of the agenda that pertained to the Salvadoran Armed Forces.

According to De Soto, personal representatives of UN Secretary General Javier Perez De Cuellar, the parties discussed at great length the role of the Armed Forces in the Salvadoran conflict, and therefore the parties only superficially discussed the issue of human rights.

"They still have to negotiate the electoral and judicial reforms, as well as the economic and social problems of the country," De Soto pointed out.

FMLN, Salvadoran Government's Document on Talks

PA2506205490 San Salvador Radio Cadena YSU in Spanish 1950 GMT 25 Jun 90

["Final document" drafted by representatives of the Salvadoran Government and Farabundo Marti National Liberation Front, FMLN, in Oaxtepec, Mexico on 25 June; read by Alvaro de Soto, representative of UN Secretary General Javier Perez de Cuellar—recorded]

[Text] In accordance with the Geneva agreement of 4 April 1990, the negotiating commissions of the Salvadoran Government and the Farabundo Marti National Liberation Front met in Oaxtepec, Mexico, from 19 to 25 June 1990 with the participation of representatives of the UN secretary general. According to the agreements reached in Caracas on 21 May 1990, they directly addressed the matters that would be the subject of the political agreements expected to be reached in order to achieve the initial objective of the negotiating process.

During the course of an intensive period, which included both direct meetings and mediation by representatives of the UN secretary general, the negotiating commissions discussed in detail and in depth the first topic on their agenda, which was the Armed Forces, and also exchanged opinions the second time around on human rights.

Both sides are conscious of the difficulty of the topics under negotiation, and particularly that of the first topic. No agreements have been reached yet. Nevertheless, there exists a clear commitment to achieve such agreements within the timetable agreed to in Caracas, and a movement in that direction has taken place which has no precedent in the history of contacts between the Government and the FMLN.

The progress achieved in this round of talks, to be complemented with the work to be done between now and during the next round, provides a significant basis on which to continue the negotiation. The negotiating commissions have agreed to hold a new round of direct negotiations between 20 and 25 July with the participation of the representative of the UN Secretary General. Between now and then, work will continue through the various channels provided for in the Geneva Agreement.

The negotiating commissions and the representative of the UN secretary general thank the Mexican Government for its hospitality.

Oaxtepec, Morelos, Mexico, 25 June 1990.

'Southern Front' Ends Demobilization of Fighters

PA2506222590 Panama City ACAN in Spanish 1426 GMT 25 Jun 90

[Text] Managua, 25 Jun (ACAN-EFE)—The "Southern Front," second of the three rebel movements that have fought the Sandinists over the past few years, today concluded the process of disarming and demobilizing its 2,000 combatants who, according to their leaders, controlled about 36,000 sq km of the southern zone of Nicaragua.

On 13 June, this rebel movement and the government of Violeta Chamorro signed an agreement with regard to disarming its troops and establishing a cease-fire "no later than 25 June," in exchange for its combatants receiving land, guarantees, and physical and moral security, as well as participation in the creation of a rural police.

The "Southern Front" emerged in 1982 initially under the name of Democratic Revolutionary Alliance (Arde), led by guerrilla Eden Pastora (Commander "Cero"), and four years later changed to its current name.

The leaders of the "Southern Front" and the contras will have a representative in the ministries involved in the socioeconomic development of combatants who are demobilized.

Also, the men of the Southern Front will be able to own rural and urban property titles and have access to the use of the forests, waters, and other natural resources of the zone.

With the demobilization of the 2,000 combatants of "Yatama" [organization of Miskito, Sumu, and Rama Indians, and Creole Groups] last 20 June along the Atlantic border region with Honduras, and with the demobilization of "Southern Front" members scheduled for today, only about 1,000 rebels are yet to turn over their weapons.

The Nicaraguan contras, consisting of 19,000 men who armed themselves to fight the Sandinists over the past eight years, announced on 23 June that on 27 June, its general staff, including military Commander "Franklin," will turn over their weapons.

The Nicaraguan Resistance [RN] declared the end of the war in Nicaragua, following a bloody episode that appeared to have no end in the sad history of this country, shaken by natural disasters and gripped by hyperinflation.

"Commander Franklin," 30, had said he would turn over his rifle whenever the last resistance fighter did so.

Until Saturday night [23 June], a total of 17,009 contras had turned over their weapons to the UN "Blue Helmets," an ONUCA [UN Observer Group for Central America] spokesperson told ACAN-EFE in Managua.

The deadline for the demobilization and disarmament of the rebel groups is 29 June, according to the renewed mandate of the United Nations, which is engaged in securing peace in Central America.

The RN was organized by the United States in 1981 to fight the revolutionaries who seized power on 19 July 1979.

Following the overthrow of the Somoza dictatorship, the major part of the disbanded army, also created by the United States in the 1920's to fight guerrilla Augusto Sandino, was again trained and organized to overthrow the Sandinists, accused by the White House of being a "communist cancer" in the region.

This has left more than 50,000 victims and multimillion dollar economic losses that have also contributed to spiraling inflation in Nicaragua, which in 1988 reached 33,600 percent, considered the highest in Latin America.

This conflict ended when the National Opposition Union (UNO), a coalition of 14 Parties, won the 25 February elections, which, according to observers, created even more hope of finding peace, in view of the fact that the alliance openly sympathized with the contras.

Rebel Leader Says Colonel Part of Oqueli Case

PA2506235390 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 21 Jun 90

[Text] A rebel commander in Caracas has reported that according to the document delivered by Guatemalan President Vinicio Cerezo to Venezuelan President Carlos Andres Perez, Colonel Mario Denis Moran is involved in the assasination of Hector Oqueli Colindres, deputy secretary general of the National Revolutionary Movement of El Salvador and high-ranking leader of Socialist International. Colonel Moran has denied this.

President Cristini has not ruled out the possibility that the criminal action may have been intended for Hilda Flores, member of the Guatemalan Socialist Party, who was assassinated with Oqueli Colindres while on their way to Aurora International airport enroute to Nicaragua. President Cristiani said: I cannot give my opinion one way or the other, but I believe that the criminal action was intended for Hilda Flores. According to the Guatemalan official preliminary report, Oqueli and Flores were kidnapped by heavily armed men and then assassinated on a desolated road that leads to the Guatemalan airport on 12 January 1990.

Guatemala

Cerezo Denies Increasing Army, Defense Budget

PA2606004090 Mexico City NOTIMEX in Spanish 2223 GMT 25 Jun 90

[Text] Guatemala City, 25 Jun (NOTIMEX)—Guatemalan President Vinicio Cerezo today denied the possibility of increasing the size of the Army or the defense budget.

Cerezo's statements are apparently in response to remarks by Guatemalan Defense Minister General Juan Jose Bolanos Chavez, who last week said that the size of the Army should be increased rather than reduced.

According to Bolanos Chavez, there are international treaties on how many soldiers each country should have according to the population, "and Guatemala should increase and not reduce its Armed Forces," he added.

To this effect, President Cerezo said that Bolanos Chavez' statements do not contradict the presidents' agreements.

"What the minister said is that technically speaking, the Army does not have the percentage (of troops) that we should have according to the Guatemalan population, but he does not mean to say that we should increase the number of troops and increase expenses," Cerezo added.

At the recent Central American summit held in Antigua Guatemala, the presidents of the area agreed—among other things—to continue negotiations on the security, verification, control, and restriction of weapons.

Within the framework of Esquipulas II, this point seeks to make good use of the resources and direct them toward development of the people of the area.

The Central American presidents also agreed that to give continuity to the agreements of the recent summit, a security commission would be formed and scheduled to meet on 31 July in Jaso, Costa Rica.

On this subject, the UN general secretariat and the OAS general secretariat will provide technical advice.

Likewise, they asked the international community to support the social and development projects that will help those soldiers who rejoin civilian life following the possible reduction in the size of the Army.

Rebel Activity Continues in Quiche Department

PA2506215890 Panama City ACAN in Spanish 2222 GMT 19 Jun 90

[Text] Guatemala City, 19 Jun (ACAN-EFE)—The Army reported today that at least two soldiers were killed in an ambush by Guatemalan rebels in the northwestern Quiche Department.

The military report indicates that the rebel action took place on 15 June, when a patrol was carrying out routine operations in the Cimiento de Caba District, Quiche Department.

Two soldiers, Corporal Efrain Leonardo Sanchez and Miguel Angel Madrid, were killed and an unidentified soldier wounded in the ambush.

According to the official report, since Friday 15 June, military units have been combing the Quiche region in search of the rebels. However, the Armed Forces have not reported any contact with the rebels.

The Poor People's Guerrilla Army (EGP) operates in Quiche Department. It is one of the four groups comprising the Guatemalan National Revolutionary Unit (URNG).

In late May in Madrid, the URNG commanders and representatives of nine political parties signed a document in which the rebels agreed not to sabotage the electoral process in Guatemala, but they did not agree to cease their military actions.

Meanwhile, the Army has assured that it will not declare a truce and that it will comply with the political mandate of the constitution, which is the defense of national sovereignty.

Labor Leaders Report Receiving Death Threats

PA2306035190 Guatemala City PRENSA LIBRE in Spanish 20 Jun 90 p 8

[Text] Leaders of the labor union of the National Financial Corporation said yesterday that they have received death threats from unidentified people.

The leaders said that a campaign against their labor union began some weeks ago. Yesterday, when labor leader Azucena Paredes was riding a bus to go to work, a well-dressed young man boarded the bus and told her to abandon her labor union activities—otherwise, she would be eliminated.

The labor leaders said that many telephone calls are made to the labor union headquarters, saying: "Many bodies are being found in Villa Nueva and Zone 5."

Randolf Santizo, secretary of records, agreements, and correspondence, has said that the union leaders have made some National Financial Corporation officials, whose names he has, responsible for whatever may happen to them.

Santizo said that as a form of intimidation, the corporation indefinitely suspended ten union workers without any legal reason last Monday. He noted that in the past the corporation only had three security guards, and now it has thirteen.

Santizo said that the problem began when the collective labor pact signed by the administration and the union was violated. He said that the Special Affairs Ministry, the Labor Ministry, and the Monetary Board have already been informed about the threats.

Santizo said that the National Financial Corporation will reinitiate operations in the second semester of this year and that an effort is being made to destroy the union because in the past it has denounced cases of corruption and it could be seen as an obstacle.

Honduras

Callejas Gives News Conference on Current Issues

PA2506032790 Tegucigalpa Domestic Service in Spanish 0000 GMT 22 Jun 90

[News conference by President Rafael Leonardo Callejas with local and foreign reporters and unidentified moderator at the Honduran Presidency in Tegucigalpa—live]

[Text] [Callejas] Honduran people, respected reporters. This is the second live, televised news conference that we have held from the Presidency. Our main objective is to talk to you and thus inform the Honduran people about government activities. We want to keep the Presidency's doors open to you so that government activities are conducted with the openness demanded by the Honduran people's large interests. I want to greet you all, and I once again present my apologies to those of you who in the morning or in the afternoon feel that we break the city's silence with the sirens that precede our arrival at the Presidency. The characteristics of the city of Tegucigalpa, however, sometimes demand a certain speed and this entails the use of the sirens, which help us move faster through Tegucigalpa. I wish we did not have to use the sirens, but as long as the infrastructure in Tegucigalpa does not accommodate the mobilization of heavy traffic in the early morning hours, it would be very difficult for us to eliminate them. I apologize for that.

During this news conference, I would like to discuss some government issues. They are issues of both local and foreign significance. It is most important to inform you about the most recent Central American summit

held in Antigua, Guatemala, during which the Central American presidents—acting in the interest of the people of Central America—made the historic decision to create legal mechanisms that will lead to establishing the Central American economic community.

Undoubtedly, the presence of U.S. Secretary of State James Baker has shown that the world is aware of the importance of the emergent Central American democracies. Baker's presence at the summit promoted new, additional, supplementary, or complementary financing mechanisms. In addition, Baker delivered a message from the U.S. President. President Bush expressed his support for the Central American democracies and said that he was pleased with the events that are taking place in Central America. All this entails a transformation of Central America's future, of which we, the Honduran people, must take advantage.

Other issues exist that are obviously of vital interest to the Honduran people. I am going to leave those issues for the reporters present to ask about. There is, however, one basic issue that deals with progress in the structural reorganization of our economy. I would like to tell the Honduran people that under the administration I proudly lead, we have succeeded in halting excessive public expenditures—in other words, expenditures that surpass the revenues collected by the government. We have limited the fiscal deficit and the government's expenditures to the parameters established by the national budget approved for the 1990 fiscal period.

Furthermore, between January and May 1990 the government's expenditures totaled 790 million lempiras. Compared to the figures registered in 1988 and 1989, when, with a budget of almost 1 billion lempiras less, the previous government spent much more than we did during these first five months in office, our figures prove to be much more positive.

While between January and May 1988 the government spent 827 million lempiras based on a budget of 1.81 billion lempiras; and while between January and May 1989 the government spent 800 million lempiras based on a budget of 1.9 billion lempiras, we have spent 790 million lempiras during the same period based on a budget of 3 billion lempiras. I tell you this with great satisfaction.

Because that is the answer to the important question many sectors of society have been asking: What sacrifices is the government making in the face of the structural reorganization of the economy? I am telling you here: It is spending less, which is what it should do. Also, we have established social impact programs. Banasupro [National Supply Agency for Basic Products] has already been funded, and during the month in which the plan to economically reinforce it has been implemented, monthly sales have risen to over 1 million lempiras.

Thus, low income sectors have access to supply programs sponsored by the government to lessen the problems caused by the law to restructure the economy. In this respect I again want to tell the people of Honduras that nothing concerns me more as president than the increase in the prices of staple products. However, I must say, based on Honduran Central Bank figures, that the inflationary effect was felt mainly in April and May, as was to be expected. We are now in a downward trend. Based on Central Bank figures, again I reiterate that the inflation rate dropped to 1.3 percent in May. It is worth noting that this happened in May, and we hope it continues that way, because we feel that the program to stabilize prices is following this course.

We have held talks with unions, the CTH [Confederation of Honduran Workers] and the CGT [General Central Organization of Workers], and we will invite others during the course of this week to begin a program based on consensus, chiefly on wage matters. Next Tuesday, 26 June, we will be holding the first meeting to analyze a system that will serve to establish mechanisms to correct the existing minimum salaries and collective bargaining agreements so that salaries enable us to increase the citizens' purchasing power.

At one point during the past few months, I told the nation that the blow in 1990 will be very hard—and it has been—and I cannot deny that we are very concerned. That is why we talked to the Legislative Branch so that the amendments we proposed to the consumer law are completed and enacted as expeditiously as possible—in early July—since speculation continues needlessly, and the public sector is called on to act firmly and deal with the most serious problems that affect our compatriots.

Nevertheless, I am pleased to say that in June, July, and August we will be holding meetings with social sectors to discuss the fundamental issue of improving minimum wages and other aspects of the country's policy on salaries. There are other areas, but I will let them come up through your questions. However, I do want to discuss the topic of national sovereignty. In this respect, I reiterate to the people, that, in accordance with the Constitution of the Republic and as mandated by the Honduran state, any Honduran can freely move in his country. Therefore, the missions carried out by the Armed Forces and the Legislative Branch are in keeping with respect for and the right to national sovereignty.

It is important to establish that we are involved in a process that requires a legal ruling on the problem to settle the border dispute with El Salvador. That factor does not impose any limitations on our ability to move as freely and confidently as circumstances require. In this respect, I reaffirm Honduran sovereignty over their own territory. The visit by the Armed Forces and deputies to the Golfo de Fonsenca, within the context and parameters of our national borders, constitutes a legitimate act based on civil rights. There are many other topics, but I will let the news conference begin so you can pose your questions. Thank you.

[Moderator] Teodoro Diaz of the newspaper TIEMPO.

[Diaz] Mr. President, [words indistinct] that the habit of paying reporters to disinform the people, that 38,000 lempiras per month are allocated for that purpose. What can you say about that?

[Callejas] The government hires the professional services of the various media, including the print media, radio, and television. We feel that this is something to which the Honduran media are entitled. We have an allocation for that purpose in our budget. You have seen that this year we have run television advertisements that deal with various government policies and that we have run advertisements in other voice media and publications as well. The government has also hired reporters who are working in posts that deal with their profession. We did so with great pleasure, because in the recent past they have contributed to our election campaign with their political support.

As for the rest of your question, we do not hire any media for anything except government publicity. Thus, I can tell you that we are not using the funds of the people to hire professional services that the government does not need.

[Moderator] Edita Valenzuela from LA NOTICIA.

[Valenzuela] [Words indistinct] LA NOTICIA also. Mr. President, we would like to ask you so many questions, but I will limit myself to just one, because, as our colleague Martin Baide said, perhaps there will be an opportunity for a second round of questions. There are many concerns, but I want to ask you about the importance of our border problem with El Salvador. The attitude that the Salvadorans have adopted again is worrisome. We all know that they hope to take away a large part of Honduran territory. This attitude worries the Honduran people. What mechanisms would you use or which path would you follow to resolve this problem if the quarrel becomes more serious and if it is not solved as it should be at the International Court of Justice [ICJ]?

[Callejas] It is important not to speculate on issues that have already been agreed upon. This problem is very important for the Honduran Government and the Honduran people, because as a nation we have made a political decision to settle our disagreements with El Salvador at the ICJ. That has not changed, and we are going to stick to that decision. Therefore, I want the Salvadoran people to know that the ICJ will rule on this quarrel between September 1990 and March 1991. Meanwhile, there are no other paths to follow and there are no other interests. We must handle this problem cautiously and calmly until—as we expect—the ICJ issues a fair ruling on the case. Meanwhile, the Honduran people are able and free to move within Honduran territory according to our best interests. We must avoid speculation that could result in unnecessary tension between our countries. We must recall that the Bustamante-Rivero Treaty clearly establishes that by virtue of a decision by the governments of the two nations to resort to the ICJ, this aspect of the Honduran-Salvadoran quarrel should not be discussed in the media.

[Moderator] Journalist Eduardo Maldonado from EL HERALDO.

[Maldonado] Mr. President, during your first news conference you said that many former and current government officials were involved in irregularities within the previous and the current government. You even said that you would take them to court and send them to jail if possible. Have the authorities identified any former or current government official involved in such activities? Have any of them yet been tried or jailed?

[Callejas] Yes. I can tell you that with regard to Banadesa [National Agricultural Development Bank], in the cities of Choluteca, Juitigalpa, and Catacamas, warrants were issued for the arrest of Miguel Osorio, former Banadesa manager in Catacamas, and a man named Arias, who worked as the bank manager in Choluteca. We have also taken steps in this direction with the former Banadesa manager in Nacaome, and we are going to continue to promote actions of this sort. Like the Honduran people, I feel the concern that is reflected in your question. We are committed and determined to act to deal with the corruption that could have existed in the past and to keep it from happening in this government. As you know, a few days ago, the deputy customs director in Aguas Calientes was brought to court. This process is coming along, and today before the news conference ends, I will give you the names of people who were arraigned and brought to trial for acts of corruption in connection with the Banadesa case.

[Moderator] Javier Villalobos [words indistinct].

[Villalobos] Mr. President, I want to ask if it is true that the government will freeze banking accounts, as was done in Brazil. Also, would you be so kind as to explain how is it that you can say that the inflation rate went down and also say that it went up or that it is rising?

[Callejas] You posed two questions; I will answer the second. In this respect, when we analyzed the figures reported the month following the enactment of the law to organize the economy, we realized that the inflation rate for that month was between three and four percent. That meant a yearly inflation rate between 30 and 40 percent. Aware of that, we implemented actions, and we sought alternatives. We managed to reinforce Banasupro. As a result, we succeeded in reducing the inflation rate from 1.2 to 1.4 percent in May. That means the inflation rate reached expected levels. We told the Honduran people that the inflation rate would be between 18 and 20 percent in 1990.

Here we have aspects that are worth mentioning. The inflation rate stems from the impact of major changes in the customs' appraisal rate, and in the handling of foreign exchange. Another reason has to do with speculation. We are concerned about the sugar problem. In cities like Comayagua, sugar is worth 1.20 lempiras.

However, the price set by Banasupro and established by the government is less than 70 cents. Where is the difference? In speculative action. We have imposed stiff fines on food stores. The economy minister has fined supermarkets. However, as long as merchants continue to speculate, we will have to ask—as we already have—for stronger instruments that allow fines of up to 500,000 lempiras, according to amendments to the consumer law. As long as those fines are not levied, speculation will continue.

It is immoral for some to want make short-term profits at the expense of society. We will not let them. We are doing our best, because in our judgment the chief problem is that, although the law to organize the economy is necessary to organize the Honduran economy toward the future, it is not and was not designed to have such a strong impact among some consumer sectors. Thus, we will approve amendments to the consumer protection law, so that the Economy Ministry will have an effective instrument. When the first fine of 500,000 lempiras is levied, I will be very glad to announce it during a news conference.

[Moderator] Faustino Ordonez Baca of Radio Ceiba.

[Ordonez] Mr. President, you recently revealed the names of former officials who perpetrated acts of corruption in previous administrations. Two weeks ago the Conade [National Corporation for Development] president announced that he would send the former Conade president and the former deputy economy minister to prison within eight days. Nevertheless, nothing specific has been done so far. What has happened?

[Callejas] I have demanded the same explanation from the Conade president because I think that such an announcement should be immediately and expeditiously followed by action. The documents for the trial have been transferred to the appropriate organizations and-....[changes thought] Just yesterday I instructed the Conade president to recall the documents and expeditiously organize a process that allows us to investigate the charges and adopt the necessary actions to punish these acts of corruption.

I am concerned about this because this is a vital element in the government's actions. We will give corrupt people less opportunity to act in the public sector by how we prove our willingness to fight corruption. I share with you and the Honduran people my concern because the information was given, but the results were not immediately achieved. This diminishes the government's credibility in the eyes of the citizenry. I trust that the Conade president will act according to his public statements in the near future.

[Moderator] Journalist Rafael Castellanos of Radio Tegucigalpa.

[Castellanos] Mr. President, more than 900,000 Hondurans gave their approval on 26 November so you would become the president of this country and rule the nation's destiny. You will soon complete your fifth month in office and many groups have begun to say that the people are full of despair and that your popularity has decreased. Do you have any figures or information that state otherwise?

[Callejas] The Honduran people and you know that we established programs to gauge the government's actions and the candidate's popularity when the Honduran political process gave me the opportunity to become a candidate. We continue to assess the government's situation and actions through polls, but believe me, I am not interested in revealing them—not because they are positive or because they are not, but because it would be an administrative mistake to adopt decisions based on the current level of popularity.

I am fully aware of the importance of adopting decisions within the framework of the law to reorganize the economy. I have never denied to my fellow citizens that this would entail enormous sacrifice and this is still true. Consequently, my basic concern is not whether I have a given level of popularity or not—I would rather have the polls conducted by institutions like the news media or autonomous enterprises—but whether the decisions we adopt will achieve the goals of strengthening the economy, generating growth, producing exports, and—in sum—being able to say that I exerted myself in this concern.

I would certainly like to gauge the level of my popularity in 1994, and it will be gauged at the end of my term, when the Honduran people participate in the November 1993 electoral process. That is the only way to gauge a government because that is when the phase of its political actions concludes. I hope that the results will be favorable concerning my role as president of the republic.

[Moderator] Journalist Julio Armando Valdez of HRN.

[Valdez] Thank you. Mr. President, I have two questions and you can decide which you will answer first. First, Emilio Larach said in a newspaper today that you speak good rhetoric, that you talk very pretty, but that you have yet to implement the projects outlined in the economic development plan that your government has prepared. Second, I want to refer to the Antigua Declaration. Nothing has been said about the topic. The government has not said a thing. We want to know your opinion about armed actions along the border and outside the border, and about the request and appeal of the Guatemalan, Salvadoran, and Costa Rican presidents that a special commission be appointed to reach an out-of-court settlement concerning Nicaragua's lawsuit against our country at the International Court of Justice. What is your government's position?

[Callejas] Given that there are also two questions in this case, I shall proceed to answer one of them—the one about Emilio Larach's statements. I believe that his views are correct and objective because Emilio said that he neither harbored illusions nor felt disillusioned. That

is the appropriate position. We have been in office six months. What important things have we done in those six months as far as the law to reorganize the economy is concerned?

First, I have already talked about this. I have told the Honduran people how we have handled the budget. We have told them that my government maintains a policy of absolute austerity, and we have spent just 25 percent of the budget in five months. Why? So that we are able to save enough by the end of the year to generate resources for investment in 1991—which is critical for us from the developmental point of view.

It is important to note that we have made decisions that will soon become a reality. We have completed the negotiation phase for a stopgap loan to pay the $247 million overdue debt that Honduras had with international institutions. This was accomplished without delay, and I hope that we will be able to pay the stopgap loan according to the original timetable.

Emilio brought up a critical point—foreign exchange. However, that is not a new subject; it is a recurring problem. We have clearly said that it is possible that this year we will have a deficit of foreign exchange with regard to the import requirements of the Honduran economy.

In that sense, we are working with international institutions, so that while we establish a development plan in four or five priority areas—bananas, coffee, shrimp, and other export products—we can obtain dollars abroad to strengthen the economic plan of the Republic of Honduras.

On another subject, I can tell you with absolute certainty that at this time the issuance of import licenses at the Central Bank is delayed only 15 days. We are expediting this procedure. Also, contrary to previous years, under this government there has been no retention of foreign exchange at the Central Bank level. Logically, there is not enough foreign exchange to cover all needs, and that is the main problem for the immediate future. Honduras does not generate enough exports to pay for its imports. If that were not the case, if things were different and we had enough foreign exchange, it would not be necessary to continue to implement mechanisms to issue import licenses and there would be a flow of imports.

This is a reality. Emilio Larach is right—I cannot deny that he has spoken in good faith with the sincerity that has always characterized him, when he said that at this time, the lack of foreign exchange is the main problem the Honduran economy will be facing in the near future. Therefore, we are working with determination to resolve this problem. Once we reach an agreement with the international institutions and achieve a positive flow of foreign exchange, Emilio Larach will have no more problems. However, we must get that far first.

I would also like to point out that within the government's capacity, we have defined our main priorities. First, we must be self-sufficient in food. The basic grain program is progressing at a rapid pace. To date, the state bank has doubled—in realistic figures—the number of credit beneficiaries of previous years. We have doubled the [three-second break in reception] concerning the basic grains program, we hope to have a good rainy season, and I mean it, because there is no good harvest without a good rainy season.

We are already preparing a plan, so that the Central Bank can study the possibility of opening a special line for 100 million lempiras to buy the corn, beans, and rice we expect to have at the end the first harvest period this year.

In other words, we define a problem and act accordingly. We did the same thing with the oil problem. Today there is no shortage of fuel in Honduras. However, decisions had to be made.

In the case of medicine, we are trying to find solutions. The Central Bank, as the local newspapers have written, has established a mechanism and has identified the individuals who are entitled to repayment, in other words the medicine suppliers who have not received payment. We are negotiating on this problem. It is not an easy process.

I must reiterate to the Honduran people that although apparently circumstances have reached a level of national acceptance, the truth is that the country is facing a serious problem, trying to restore our economic capacity. That requires investments, and to invest, we must be aware that Honduran finances must be reorganized.

At the domestic level, I assume the responsibility of handling the country's budget with a firm hand and austerity. At the international level, we will soon give the Honduran people news that the stopgap loan has been secured, and that consequently we will again have access to credit from international institutions, which is so important.

[Moderator] Reporter Giovani Garcia of the "This Very Day" newscast.

[Garcia] Mr. President, a few weeks ago you said that you would ask the National Congress to approve a bill to sanction speculators with heavier fines and jail sentences. Why has the Congress not done this? Are powerful interests preventing this? How is the government plan to sanction speculators, handled via the Economy Ministry, progressing?

[Callejas] I want to assure the Honduran people that amendments to the Consumer Protection Law will be approved in early July as soon as the republic's Congress is installed. You can have the guarantee of my word that the amendments to the Consumer Protection Law will be promulgated by the Republic's Congress.

I have met with the Congress president to ensure this. The Congress is ready to give this satisfaction to the

Honduran people. Innumerable institutions have been fined, we have acted speedily, and we have stepped up the number of fines by a geometric percentage in comparison to previous years.

However, this is not enough, because when a person has 1,000 bales of sugar in a storeroom and we can only levy a fine of 5,000 lempiras, that person will choose to keep the sugar in storage to speculate in the future in the belief that the price of his product will increase. If we could levy a 500,000-lempira fine instead, that person would think twice before speculating with his product. This is what we are aiming for. I think that we would need to apply heavy fines only once.

[Moderator] Reporter Ezra Tamado Lopez of "Making a Breach."

[Tamado] Good evening, Mr. President. Moments ago you talked about the civil rights of Hondurans when referring to the issue of sovereignty. You said that freedom of movement will in no way be restricted, even though the matter of the border delimitation with El Salvador is not absolutely clear.

As I heard this, what came to my mind was the aim of the attorney of a presumed drug trafficker extradited to the United States, who filed an amparo for his client to ensure enforcement of Numeral 1 of Article 183 of the republic's Constitution. He seeks to ensure that the rights of the Honduran citizen in question are respected.

The Supreme Court of Justice is saying nothing, and the attorney of this presumed Honduran drug trafficker hopes that the government of the republic will remove some of the dust that has fallen on the republic's Constitution in regard to this case. Would your government be willing to follow the appropriate diplomatic channels to repatriate this Honduran who was extradited to the United States?

[Callejas] If you are referring to Ramon Mata Ballesteros, we would never have the desire or capacity to bring such a terrible evil back into Honduran society. He is a drug trafficker, a man who has been tried and sentenced for murder, and a man who committed an action that led to his leaving the country. I hope that no one is interested in seeing him return to Honduras. On my part, I will do my best to prevent the return to Honduras of a person who did as much harm to our society as the drug trafficker you mentioned.

[Moderator] Francisco Valeriano Giron of LA TRIBUNA.

[Giron] Thank you. Mr. President, in addition to the high cost of living, the Honduran people are at present very much concerned about the high cost of medicines. The Economy Ministry has been unable to stabilize the prices of medicines for sale to the public. There is also a shortage of medicines. The drugstore owners argue that this problem has been caused mainly by the economic minister's failure in setting the prices. This situation was presented to him several days ago. There has been a strike in Sitramedhys [Trade Union of Medical, Hospital, and Related Workers] for quite a long time. My question is a very simple one. Mr. President, are the economy and public health ministers failing you?

[Callejas] No. No government minister has failed to do his duty. I am very satisfied with their work. Regarding your other question, the problem of medicines is one of the most difficult and complex ones for us. Just like the price increases of other products, the price of medicines affects various sectors of the society. There are various aspects involved here. First, the country pledged to pay more than $47 million to medicine suppliers and was unable to comply because a 2:1 exchange rate was considered. But, as you and the Honduran people know, this rate was nonexistent. What did we do? We had to use a procedure approved by the Central Bank of Honduras whereby the medicines can be paid for in three years in annual payments, always using the 2:1 exchange rate. The Honduran people can read in the papers the names of the corporations and drugstores that received this benefit, which the government will make good. What can we do regarding the medicines? Several things. The most important, from the government's viewpoint, is that we are considering an increase in the subsidies for the health sector. In this way it can expand its coverage and attract more patients to public hospitals so they can receive medicines and other products free of charge.

We are going to strengthen the health sector and make it more accessible to lower income groups.

Second. We are studying the possibility of approving reform that would tell the country's doctors that in issuing prescriptions they must prescribe brand-name as well as generic products so that the Honduran people can have both options. In some cases, generic products are up to 60 percent less expensive than brand-name products. This way, consumers will be able to decide which product they prefer. Right now there are legal restrictions that do not allow doctors to issue generic prescriptions. In the next few days, while Congress is being installed, we will work on mechanisms to reach an agreement on this critical issue.

I know about this problem. I am aware of it. It is a top priority for us. Economy Ministry procedures are very complex because more than 7,000 medical products are under price controls, and the law says that prices cannot be established as a result of agreements, but that they must be set based on Economy Ministry resolutions. All this is going to be eliminated soon because we are aware of the medical products problem. This year, Health Ministry subsidies amount to almost 38 million lempiras. These subsidies are being used to buy medicine—which is already arriving in the country—and to care for public health patients. We are prepared to increase this indirect subsidy process in favor of society so that the people do not have to suffer so much with the medicine problem.

[Moderator] Javier Mendoza, from "Hoy Mismo."

[Mendoza] Mr. President, I suppose everyone wants to congratulate the government because public expenditures have been reduced significantly. This has not come from everyone, however. For example, the media has conducted polls at marketplaces and has found that beef is being sold at five lempiras per pound; too expensive and not in line with the official price. Prices on other products are also being increased. The Honduran people want to know what the Economy Ministry is doing about this. Is it manipulating prices to finally establish them at the top price to avoid congressional sanctions once reform to the consumer protection law is approved?

[Callejas] Not at all. On the contrary. We have strengthened Banasupro to create alternatives for the Honduran people. I have a Banasupro price list here. I am going to read, for the benefit of the Honduran people, the prices on the most important products. Sugar, 50 cents; rice, 90 cents; corn, 30 cents; beans, 90 cents; wheat, 60 cents; eggs, 23 cents each. Here is the Banasupro price list. We are going to continue to substantially increase the resources of Banasupro so that this agency may expand its coverage.

Remember that when we took over Banasupro a few months ago, it was almost closed, had no products, and was facing long-term difficulties. We have changed that and we are giving it the resources it needs so that we can offer the prices listed here to the consumers.

The consumer report program we have been working on will be ready in 10 or 15 days. This program will allow reporters to be informed of the prices so that they can keep the Honduran consumers informed.

Prices are my main concern among the problems arising from the law on structural reorganization of the economy. Therefore, we will give Banasupro the support it needs to fight speculation in various areas.

Other problems stem from the scarcity of products. This is the case with meat, on which we compete in international markets and with neighboring countries like Guatemala and El Salvador. Little by little, as production programs reach the appropriate level, we will gradually solve this major problem of the Honduran people. The problem is serious. We feel that it seriously affects society. That is why I said at the beginning of this news conference that on Tuesday [26 June] we will begin meetings to take concerted action with various sectors on a basic topic—the salaries and income of the people. We want to be able to improve their purchasing power in view of the increase in prices caused by the law on structural reorganization of the economy.

[Moderator] Eduardo Maldonado, of the newspaper EL HERALDO.

[Maldonado] Mr. President, perhaps my question will stray somewhat from the issues of price control and other topics. However, I feel that your government program can be executed as long as it is supported by all sectors of the Honduran population. My specific question is this: What will the government, or the National Congress for that matter, do to put an end to the premature candidacies—of which there are so many in your party and the Liberal Party of Honduras [PLH]? There is no doubt that they affect the work of any government, be it of the National Party of Honduras [PNH], the PLH, the PINU [Social Democratic Innovation and Unity Party] or the Honduran Christian Democratic Party [PDCH].

Is this government actually inclined to legislate or to try to motivate the Honduran men suffering from presidents' syndrome into opening a waiting period to allow the current government to proceed?

[Callejas] This is a passionate political topic and, logically, there are some things we wish to convey to the Honduran people. First, there is the openness of the electoral process. We have reported to the PNH national leadership, with which I met here a few days ago, and to the PLH leaders that we agree with international observers' coming to Honduras, beginning now, to supervise the development of the political-electoral process of 1993. We feel that, for the good of the nation, openness in the political process must be absolute, so that we may not get involved in subjective attitudes, so no doubts will arise.

Therefore, the government of the republic is prepared to support any decision that will result in international observers arriving here, beginning now, to supervise the 1993 electoral process. Secondly, we have asked some political leaders to take into account the need to avoid premature candidacies. However, the current laws set no limitations in this regard and each citizen can act according to his own interest. What we do agree with is that internal campaigns within the parties—involving television, newspaper, and radio propaganda, as well as rallies—should be limited to a period of not more than 60 or 90 days and that presidential campaigns should be limited to four or five months instead of the current six months. I understand that some proposals have circulated among the various parties for negotiation of alternatives.

While on this matter, I am going to take this opportunity to talk about the PNH in particular. We have widely discussed the matter with the party's authorities and there is no precandidacy from the standpoint of engaging in political activities around the country. Every citizen is entitled to have aspirations. However, there will be no premature political campaigns in the ruling party that could entail contradictions with the government as such. This is a commitment to party authorities themselves and to the various groups that comprise the PNH political leadership. I can indeed tell you that, in the specific case of the PNH, no independent precandidacies will be launched. Obviously, in this specific case, we would be concerned if there were any, because that would entail—as we were able to see during the recent past—distortions

in public administration and groups of employees who support one or another candidate, which is harmful to the administration.

I reiterate here—as I did during the period preceding my election—that any official of my administration who even seems to engage in an electoral process or supports any presidential hopeful will have to resign from his position. The government will not support premature candidacies, and we hope this will be the case until the time comes to decide in this regard within the PNH.

There has been much speculation about presidential hopefuls by groups that back this or that official, this or that man or woman. This is not good for the public administration. We have told this to the PNH central authority.

[Moderator] Juana Dolores Valenzuela.

[Valenzuela] Thank you. Mr. President, since the start of your government, you said you would keep a close watch over the natural resources, flora, and fauna. We have learned, however, that our forests have continued to be relentlessly exploited in Rio Platano and other Olancho areas. PNH deputy Julio Galindo also reported in EL TIEMPO that certain sea creatures, such as dolphins, are being wiped out. What are you going to do? Will you stop this abuse, which has been going on during previous governments? We do not want corrupt practices like this to continue.

[Callejas] We fully support increased protection of the Honduran environment. During July, and as a followup to Natural Resources Week and Environment Day activities, we will introduce a special bill to congress so that those who invest in the management of national parks or areas duly established by the government can receive fiscal benefits. In the specific case of the forests, it is important to keep in mind the only ways to fight against their destruction:

1. Fight poverty. This is the main enemy of the forest. Poverty forces people to destroy the forest to go on living. There must be legislation to regulate this.

2. Foster culture. We must understand that there cannot be life in the absence of environment.

3. Act. I want to report to the Honduran people that PNH deputy Galindo of Islas de la Bahia is not exporting porpoises. Quite the opposite, I am inviting the media to go see what Galindo is doing. He has established a marine museum and park at Anthony's Key, where he has porpoises as an attraction for divers. He is aware of the importance and is respectful of the natural resources. At least, the government has not authorized exporting porpoises. The permits issued to him are only intended to contribute to the better management of Honduran marine species. Galindo has erected a marine park, something no other citizen or the government has done. No one else has concerned himself and contributed so much to the Society for the Preservation of Islas de la Bahia. I would like to invite the media to go to Anthony's Key to help vindicate the name of a man who has contributed to the preservation of the environment. The media can thus check whether the report is true or whether what Galindo is doing benefits Honduran marine species.

[Moderator] Julio Armando Valdes of HRN.

[Valdes] Mr. President, you have spoken about foreign currency. Is the recovery of foreign currency the responsibility of the executive branch or the legislative branch? What stands in the way of this? Are there interests in Congress that prevent the amendment or the implementation of legislation on the recovery of foreign currency through exporters? Edwin Rosenthal has said that the foreign currency belongs to the exporters, not the state. Will you intervene in the recovery of the currency so that problems such as that of medicine and food among others can be resolved?

[Callejas] The foreign currency belongs to the Honduran people. This is a very clear stand of this government. The fact that someone exports does not entitle him to do with the exchange as he sees fit, such as leaving the currency abroad. This is a very clear concern of the government and the Central Bank of Honduras. Legislation has not yet been introduced in the Congress, but, of total exports, there is already $107 million in exchange that has not been sent to Honduras. The Central Bank has summoned exporters and will impose fines. If this continues, however, we will be forced, much to our regret, to legislate just as we did in the case of the Consumer Protection Law. It is unfair for those who profit from the country's natural resources and who live here and have property here to export and act like this, knowing full well the effect that the failure to return the exchange will have on the country. The figures are dramatic. In 1990, foreign currency that was not returned amounted to $107 million. In 1989, this currency reached $249 million. I will break down this figure in a moment. This means that, according to estimated figures, nearly $350 million was not returned to the country during 1989 and so far in 1990.

This is a crime against the fatherland. I ask exporters not to force us to become a police state that will enforce compliance with commitments, as happened with regard to the consumer protection law.

Exporters have the legal and moral commitment to repatriate their foreign currency; if they do not, we will have to act.

[Moderator] Let us have the last questions of this news conference because we are running short of time. Rafael Castellanos, from Radio Tegucigalpa.

[Castellanos] Mr. President, some labor leaders have told the people that your government has been taking advantage of the distraction caused by the 1990 Soccer World Cup in Italy and that when the final days of the

championship come, you will approve increases in energy, water, and telephone fees—the essential services fees. How true is this?

[Callejas] It is not true. I want the Honduran people and the reporters to clearly understand this: In Honduras, the law says that the only institution that can increase such fees is the Congress. I would like to explain that any other position has no legal ground and that if they emerge it is only to distort the true situation. We have never introduced in the Congress any bill calling for increases in public service bills. The only institution that is analyzing the possibility of changing fees for calls abroad is the Honduran Telecommunications Enterprise [Hondutel], because, as a result of currency exchange rates, that enterprise is being negatively affected by long distance telephone calls abroad.

I believe it is only fair that the Honduran state be reimbursed for telephone calls abroad. There are no other fee increases planned.

The World Cup has been a pleasant experience for the Honduran people, as happens every four years. We are pleased with Costa Rica's soccer classification, because it has demonstrated that Central American soccer can go a long way in the World Cup. Honduras participated on one occasion . Costa Rica has done it now. I am pleased to report to you that during the last meetings we held with the National Sports Federation, it was established that we are prepared to create, after 15 July, an organizational commission to implement a sports process that will give us the opportunity to reach the objective of going to the U.S. Soccer World Cup in 1994. We will apportion a budget to the federation. We are going to ask prominent sportsmen to support this effort that does not rival the National Football Federation, but that represents an organizational effort of the government so that the National Football Federation and related organizations may have logistical support to reach an objective we have wanted since the 1982 World Cup in Spain—to go to a World Cup in 1994.

[Moderator] Faustino Ordonez Vaca, from the daily LA PRENSA.

[Ordonez Vaca] Mr. President, your administration has been in power five months. Do you think your political campaign promises of change are being fulfilled?

[Callejas] Yes. I believe, and the Honduran people are my witnesses, that one important change is that there is no corruption in this government. The Honduran media has made no single charge of corruption. This is a change. Second. Now everything is clear. We have eliminated privileges. Everyone knows the value of the dollar and everyone knows that we grant no currency privileges or any other such benefit to any Honduran.

We have canceled exemption privileges. No one gets exemption privileges here. Of course, not everyone likes this kind of policy, but it is a clear policy that fights privileges and this is part of the policy of change that the government has promoted.

We now have staple supplies, except medical supplies. That is a problem we are working on. We have international credibility. We have the backing of friendly countries. We have placed Honduras in a positive light as a country that fulfills its obligations. Perhaps one of the most important achievements of these five months of government is that I can leave my fatherland and say with pride: In Honduras there are no contras. These are facts. These are real and positive results of government action.

[Moderator] Edgar Al Lopez, from Abriendo Brecha.

[Lopez] Mr. President, we had thought that the original goal of the structural order bill was to benefit the poor and to make those who are wealthy comply with the law. Congress, however, has already reformed this bill, and it has been approved by the executive branch. These reforms benefit manufacturers, especially with regard to tariffs. Do you know about this and approve of the reforms, Mr. President?

[Callejas] The country's laws are approved by the Congress. I have already signed that law, and it has already been promulgated. By having signed it, I stated my approval for the decision adopted by Congress. Various groups have very different interests on this issue. Probably everyone is right, but the important fact here is that the manufacturing industry is the third most important source of employment in the country. For this reason we believe it is important to defend the interests of this industry.

I think that circumstances moved the Congress to pass this law and I validated it with my signature.

[Moderator] Reporter Teodoro Diaz, of newspaper EL TIEMPO.

[Diaz] Mr. President, could you guarantee to the Honduran people that within 18 months [10-second break in reception] effects of the positive measures?

[Callejas] I would like to gauge the effects of government measures not necessarily or exclusively in terms of price, but also in terms of consumer buying power. Prices are not as important as the extent of the effect of prices on citizen buying power. Product prices can be low, but citizens will not be able to buy them unless they have buying power.

Our first concern is to structure a system to guarantee the supply of staples in the country. I can tell you what will happen to prices in Honduras in September after harvest season. If the harvest progresses in keeping with government programs, consumer prices will decrease. If you ask me if medicine prices will increase, I would say no.

We must find social compensation mechanisms through public services at hospitals where medicine is free. If you

ask me if fuel prices will decrease, I would say that fuel prices will only decrease if world petroleum prices drop significantly. It is very difficult to predict individual price variations.

However, I am convinced that within 18 months the country will be ready to strengthen its economic growth. We will have more exports, international credibility, a greater inflow of foreign currency, and a minimized fiscal deficit that will have an impact on inflation. Hondurans will be better off.

[Moderator] Urbanis Garcia of [words indistinct].

[Garcia] Mr. President, we are concerned because in the past three years, hospitals have closed on 50 occasions as a result of an equal number of strikes. How can an agreement be reached to prevent hospitals from closing because of labor-management conflicts? Could the meeting that will resume next week establish a mechanism to at least prevent hospitals from closing as a result of strikes, regardless of which party in the conflict is striking, during your four years of government?

[Callejas] The hospitals are presently open and serving the public. It is important to establish this fact. I would like the media, as they did yesterday and this morning, to pay a visit to the training hospital and other hospitals around the country. Strikes should be declared for a just cause and as a result of a deep disagreement between the employer and the employee. I think this conflict should be settled as soon as possible. I am convinced, however, that the decision to strike was wrong because the rank and file had decided they would strike against the privatization and subrogation of [nine-second station break]. The first private contract for cleaning hospitals in Honduras was signed in 1962 during the government of Democrat Ramon Villeda Morales and while the extraordinary physician Roberto Lazaro managed the San Felipe hospital. Health services have been offered by contract since that time. The banner being raised is one against privatization. Here, in the Honduran people's eyes, I want to state clearly that we are not privatizing health services. Consequently, there was no reason to start a conflict so unfair to the people and which causes lasting harm. The hospitals are and will remain open.

[Moderator] Javier Gamino Villalobos of Radio America.

[Villalobos] Mr. President, I would like to repeat the question I asked you. The economic cabinet members have reported that they have increased the interest rate to facilitate internal savings. Is it true that the government intends to freeze savings accounts?

[Callejas] Not at all. I have no idea where this rumor originated, which is similar to one about the price of gasoline being raised in July. Those are only rumors. The government does not intend to freeze bank accounts. On the contrary, we have made available the accounts in U.S. dollars that were frozen some time ago. This is an indication of our monetary policy. I am now happy to see the media report that a number of banks have increased to 12 percent the interest rate they pay on savings accounts. This means that somehow the measure was positive for depositors both of large and small amounts. I would like to dispel all doubts by asserting that we do not intend to freeze either checking or saving accounts. Quite the opposite. We want more accounts to be opened because this is a primary source for national savings.

[Moderator] Reporter Cuyapa Nunez of Radio Tegucigalpa.

[Nunez] Mr. President, your efforts to make the country's economy forge ahead are very plausible. The Honduran people, however, are very concerned. An indication of this is the number of strikes that have been announced, such as those by workers of the mayor's office [words indistinct] and Sitramedhys. I would like to ask you if, five months after you assumed office, you think your government has failed or if, on the contrary, trade organizations have escalated their political activities. Also, and recalling that, answering one question, you spoke of openness, what happened with Conadi [National Corporation for Investment]?

[Callejas] I will answer your first question. Maybe some of those who accompany me would like to answer the second one because the subject seems timely to me. The workers are entitled to legal strikes based on the labor code. However strikes declared to exert pressure have become a habit of the workers.

We believe there should be no conflict in relations between employers and employees if there are dialogue and negotiations. That is why we believe that all parties involved should sit down to seek appropriate solutions to the problems that emerge from labor contracts.

There is a labor union at the mayor's office that wants a labor contract, which the employer says he cannot honor because the wages are too high. They should sit down to hold a dialogue to see what the conditions are. However, this does not mean there is an escalation of strikes against the Honduran Government because all of the strikes, with a few exceptions, are limited to problems between the employer and employees. There are other strikes that do not have such characteristics and that emerge because of situations of solidarity. We believe these kinds of strikes should not take place. In this government, I am permanently holding dialogues with labor union organizations, such as the [word indistinct], the CGT, and the CTH. We have big differences regarding our actions and our conduct, but we believe there is enough communication to avoid conflict.

We see there is a strike at the National Enterprise for Electric Power [ENEE]. Why is there a strike at the ENEE? There is a strike because workers want a trustworthy administrative employee dismissed. Whether the woman in question is competent or incompetent is not up to a labor union to decide. They should not be the ones to dictate the norms of conduct for the ENEE or any other enterprise. That is why the woman is trustworthy.

If the unions cannot accept this, then let us switch roles and let the ENEE administration dictate norms of conduct to the labor union. If they accept that condition, I would agree, because social sectors would be in charge of public services. However, that is privatization [words indistinct] and they are not going to accept it.

I believe it is very unfair for the Honduran people to pay for the consequences of a strike because a trustworthy employee is disliked by a labor union leader. That is no reason to strike. Where is the responsibility of labor unions? I would say that if there were unjustified dismissals, then this sort of struggle could be waged. However, as long as there are no violations of labor contracts duly certified by the Labor Ministry, this sort of strike should not take place. I do not believe we should be testing one another to see how far the government is capable of going or to see how far the labor unions are capable of going. I do not believe this is logical conduct. I am a man of dialogue and mediation. I make this call to labor union organizations: Let us hold dialogue, but no strikes, which only adversely affect the Honduran people. I do not believe that to stage a strike just because a labor union leader wants a trustworthy employee dismissed is a responsible way to conduct oneself.

[Moderator] Reporter Javier Mendoza.

[Mendoza] Mr. President, I have two questions. The first question concerns speculation in dollars. Some believe dollars will be exchanged for more than five lempiras by the end of this year. The other question concerns the Conadi case. How much money does the Honduran Government really expect to recover and how many people will go to (?jail)?

[Callejas] Conadi is an enterprise in the process of being dismantled, and it will be in a relatively short time. We are simply reviewing the legal situation of Conadi. The number of employees has been drastically reduced. We do not believe that the administrative experience of Conadi has benefited the country. Many loans have been recovered. A short time ago, the Conadi executive president was in San Pedro Sula recovering loans from an enterprise called (Honducasa), a textile company.

Suits have been filed and, as I said at the beginning of this news conference, I have asked and demanded that the executive president of Conadi, who gave names and submitted proposals to file suit against citizens who, in the opinion of Conadi and its affiliates, have committed wrongdoings and have not to date complied with restoring the loss of government credibility...[changes thought] I am hoping that he will take action along these lines in the shortest possible time.

[Moderator] One last question, by Francisco Valeriano Giron, of the newspaper LA TRIBUNA.

[Giron] Thank you very much. Mr. President, several months after launching the economic restructuring program, it is apparent that it has given rise to speculation and price hikes. Many sectors, including outstanding Honduran economists, have pointed out that some of the measures should not have been adopted or should have been at least postponed. My question is this: Several months after implementing these economic readjustment measures, would the government be willing to reconsider in some way some of these measures? You said once that if anyone convinced you that some of these measures were not viable or positive, you would reconsider them. Simply put, my question is: Mr. President, would you be willing to reconsider some of these measures?

[Callejas] I would be willing, after we structure the bridging loan, to analyze payments to international organizations, recover the country's international economic credibility, and put together a plan that entails an analysis of Honduras' foreign exchange flow, all of which will allow us to know exactly what levels of public and private investment we will be able to carry out in the future.

In addition, we must have an accurate evaluation in terms of time—which is still too short—of the behavior of fiscal revenues, export tariffs, sales taxes, and income taxes and determine if the total results of the adjustment have been higher than we had foreseen. If the result is higher than the requirements of the public sector, then I will be willing to reexamine the positions we have adopted, but not before, because we must allow the program to reach its maximum effectiveness and application.

As long as we do not reach those limits and we do not have these parameters, it would be illogical to change the conditions of a program the objectives of which are exports, economic growth, employment, supply, and price stability. In this regard, we feel that too little time has elapsed. The program was approved on 10 March, so only 90 days have passed and we have not yet been able to establish appropriate collection mechanisms in the customs sector. We do not yet know what amount of revenue we will get from income taxes. As I just said, there is a problem with foreign exchange that requires reform. As long as all these processes do not take place and we are unable to really gauge the program's effectiveness and the impact it will have on the Honduran society, I would adhere to our position and continue with the economic restructuring program.

[Moderator] The reporters want to continue talking with the president. We are going to allow a few minutes more and will let reporter Julio Armando Valdes from Voz de Honduras ask the president another question.

[Valdes] Imposing on your time, Mr. President, the parents, mothers, grandparents, and students who are listening to and watching us ask themselves: What is the president's position concerning military recruitment? The people and the students support the draft, but oppose the method. We would like to know your position and what the latest reports are that you have from the commission appointed to reach agreement on this point.

[Callejas] I believe that the most important outcome of all this is the debate about the recruitment mandated by the Obligatory Military Service Law. In our opinion, the current dialogue between the legislative body, which proposed an analysis of current legislation, and the Honduran Armed Forces is advisable for the country.

The procedures must be as humane and as fair possible; the procedures must make citizens feel that the obligatory military service is needed by the nation, that it is not being forced on them by circumstances. I share the wish of parents, Armed Forces officers, and youths that the recruitment process must respect citizen rights.

I hope that this will be the outcome of this commission involving the Republic's Congress and the Honduran Armed Forces, because it is important to hold talks before taking action in this area to prevent the consequences that resulted from the congressional resolution. Let us forget that and allow ourselves to move forward.

Let the parties involved redefine the procedures. I hope that recruitment processes will be acceptable to Honduran youths, because they are the ones who will serve in the Honduran Army.

[Moderator] Reporter Teodoro Diaz of the newspaper EL TIEMPO.

[Callejas] Mr. President, what is your opinion about the statements by Former President Azcona that at least 40 new school rooms could have been built with the money spent on television advertisements?

[Callejas] During a news conference some time ago I was asked to comment on statements by former President Azcona. My answer has not changed: I will not comment on the utterances of a former Honduran president.

[Moderator] Reporter Juana Dolores Valenzuela of Nica News has another question for the president of the Republic.

[Valenzuela] Thank you. Among others, former President Azcona has said that by year's end, the dollar exchange rate will be 8-10 lempiras. Also, you said that there are no signs of corruption in your government; however, I have received complaints about some of your ministers, such as Benjamin Villanueva, who granted a per diem of up to 17,000 lempiras for trips abroad. So far, between 70,000 and 80,000 lempiras have been spent. If this is true, we believe that it is unfair to spend such amounts on trips abroad when the country is facing a crisis.

[Callejas] To your first question, I will answer in the same manner: I will make no comments about utterances by former presidents. As for your second question, one is an act of corruption and another is an act of excess within the framework of the law. My government has not been accused of a single act of corruption. I will say that per diem needs have multiplied. The cost of each trip is enormous, because the government acquires dollars from lempiras at the interbank rate.

In other words, trips that used to cost the government 2,000 lempiras now cost 4,500 lempiras. We must view this in real terms. A five-day trip at a rate of $200 per day, that is, $1,000, involves a total of 4,500 lempiras. In other words, it is difficult to gauge the cost of trips in actual terms. There are only a limited number of trips; I have tried to keep them to a minimum and approve them only for specific purposes.

At this moment, trips by members of the economic cabinet to Washington are worth any cost to Honduras, because they are working with great expediency; they leave the night before. They left today and will return in two days. I sincerely state that I am highly pleased by the hard work and determination exbibited by cabinet members in carrying out the tasks entrusted to them by the Honduran people.

In this regard, I sincerely say to you reporters that I am very pleased with the government team that I have put together.

[Moderator] Reporter Francisco Valeriano Giron of newspaper LA TRIBUNA.

[Giron] Thank you very much. Mr. President, you said at the beginning of this news conference that according to the figures of the Central Bank of Honduras, the inflation rate has dropped to 1.3 percent. However, this is not reflected in capital city markets. Housewives constantly complain about the high price of staples. During your campaign you promised, or rather, you condemned the excessive increase in staple prices, especially beans. What has been the main factor to prevent your government from controlling the price of staples?

[Callejas] Regarding basic grains, the reason is that there was no supply of products. [When I took office] I found a country in which the silos were empty. I had to purchase corn in the United States. We had to seek alternatives to supply the Honduran people with basic grain. That is why our priority program is the production of basic grains. We are effectively promoting such production. Although I recognize the problem with the price of basic grains and other products, I would like to tell the Honduran people that the first agricultural harvest this administration will handle is the 1990 harvest. We might think that prices can be reduced through exports [as heard] because the price of corn purchased in the United States is 30 centavos and that is the price set by Banasupro. The price has been reduced for such products. If you analyze the consumer price for beans, you will see that a year ago, the price was higher than right now. Nevertheless, this is not an answer that satisfies me because regardless of whether the prices were high a year ago or right now, the consumer is the one who pays.

We are trying to lower the price of basic products by increasing production. I honestly hope that I will be asked this same question in October or November when the harvest—which will be one of the best in history if the weather conditions hold—will show that our viewpoint is correct: When there is production, prices go

down. As you reporters know, I found a country in which the lack of supplies was the norm. To supply corn to the people, we have had to bring corn from the United States, and the set price is the price from abroad. As I said earlier, it is important to analyze the structural reasons that prevent the supply of basic products. With regard to basic grains, I tell the Honduran people that we are making the greatest agricultural effort ever undertaken in this country's history. The results of this program will be amply seen once the May to November harvest begins to come in. It is difficult to maintain prices with empty silos.

[Moderator] Respected journalists, the president has permitted this dialogue to go on longer that planned. He will now conclude it with a final statement.

[Callejas] Before making my final statement and keeping my promise to journalist Maldonado of EL HERALDO, here is the list of people brought to trial by state-owned banks for acts of corruption. These are the sentences issued by the courts. You can distribute the list among the other journalists.

Respected journalists, fellow countrymen, once again I have had the opportunity to hold a news conference with you. I hope to do so again in approximately one month to continue to inform you about the events in our country and the problems that we must discuss with you and the people because Honduras comes first. With this in mind, I want to tell my fellow countrymen that we are working hard, with determination and patriotism. Our constant concern is to build a society that will benefit the majority of Hondurans. I reiterate that I do not ignore the current problems. I am aware of the situation of the Honduran people. Every day I receive reports about the price and supply problems and that is why the government's efforts are being directed at mitigating the country's problems.

However, I must again stress that 1990 will probably be the hardest and most complex in Honduras' modern economic history. We must undertand that we have many more days to go in 1990 and that those days will not be easy. They will be hard days and we are seriously concerned about them. Nevertheless, we also know that the decisions we have made have been necessary and that they will produce the results we as a government and you as a people desire in the coming months. I thank the journalists and the Honduran people for sharing this news conference with me. Good night.

Nicaragua's Godoy Says Army To Change Name Soon

PA2506235290 Mexico City NOTIMEX in Spanish 1628 GMT 25 Jun 90

[Text] Tegucigalpa, 25 Jun (NOTIMEX)—Nicaraguan Vice President Virgilio Godoy said here today that the name of the Sandinist People's Army (EPS) will soon be changed "to National Army."

Godoy, who arrived in Tegucigalpa this morning, told NOTIMEX that he is here for a meeting later today with Honduran President Rafael Leonardo Callejas and a group of Nicaraguans who reside in Honduras.

Godoy said that negotiations are under way regarding the suit that his country filed at the International Court of Justice at The Hague 2 years ago, charging Honduras with having lent its territory to the anti-Sandinist rebels.

The Nicaraguan vice president said that Nicaragua will continue to maintain diplomatic relations with the USSR and Cuba, on the basis of mutual respect and reciprocal benefit.

Nicaragua

Communique Issued on Demobilization

PA2506140290 Managua Domestic Service in Spanish 1305 GMT 25 Jun 90

[Joint communique issued by the Nicaraguan Government and the Nicaraguan Resistance in Managua on 23 June; read by Roberto Ferrey, government representative to the demobilization talks with the rebels—recorded]

[Text] The Government of the Republic of Nicaragua and the Nicaraguan Resistance [RN] hereby advises the Nicaraguan people and the international community that at 1000 on Wednesday, 27 June 1990, in San Pedro de Lovago, Chontales, the RN top military hierarchy will demobilize. This will end the process of demobilization and disarmament of the RN fighters. This action reflects the continuation of the evolution and orderly transit of the RN from an armed force into a civic group that will become part of the new political, economic, social, and cultural life of Nicaragua.

We advise that the RN general staff has formally declared the end of the armed struggle and its commitment and firm determination to continue in the search for peace, national reconciliation, demilitarization, democratic participation, and social justice.

In conclusion, the Nicaraguan people, the delegations accredited in the country, the international organizations, the national and international press, and especially His Eminence Cardinal Miguel Obando y Bravo, are invited to attend this event.

Managua, 23 June 1990

Government-FNT Agreement on Salaries

PA2406130590 Managua Radio Ya in Spanish 1200 GMT 21 Jun 90

[Agreement signed by the National Workers Front and a government delegation in Managua on 20 June]

[Text] We, Francisco Rosales, labor minister and delegate of President Violeta Chamorro; Leonel Rodriguez, deputy finance minister; Lucio Jimenez, secretary general of the Sandinist Central Organization of Workers

[CST]; Jose Angel Bermudez, secretary general of the National Union of Employees; Gustavo Porras, secretary general of the Health Workers Federation; Freddy Cruz, president of the Heroes and Martyrs National Confederation of Professional Associations; Guillermo Martinez, secretary general of the National Association of Nicaraguan Teachers; and Ronaldo Membreno, secretary of the CST, reached the following agreement for the purpose of settling point number two, concerning the salary supplement for June, in the agreement signed between the government and the National Workers Front, FNT, on 1 June:

1. The government pledges to pay a salary supplement in June equivalent to 23 percent of the current salaries, which will be paid on 25 June, at the latest, in accordance with clause number two of the aforementioned 1 June agreement. The salaries for June will be revised on 5 July. The adjustment will be based on the percentage increase of the family food basket from 14 June to 30 June.

2. The government and the FNT pledge to hold talks on 26 June, starting at 1500, on the problems of financing the production of services, chronic unemployment, and the reclassification of posts and salaries, in accordance with point number three of the 16 May agreement and point number eight of the 1 June agreement.

Issued in Managua, on 20 June 1990.

Signed by Francisco Rosales, Lucio Jimenez, Gustavo Porras, Guillermo Martinez, Leonel Rodriguez, Jose Angel Bermudez, Freddy Cruz, and Ronaldo Membreno.

Editorial on 'FSLN's Internal Democracy'

PA2306044590 Managua BARRICADA in Spanish 19 Jun 90 p 3

[Editorial: "To Improve Democracy in the FSLN"]

[Text] After two days of intense debates, the national assembly of the Sandinist National Liberation Front [FSLN] closed on Sunday with a resolution on the future of Sandinism and the revolution. The resolution has exceeded by far the expectations of both friends and enemies of the FSLN.

Despite speculation, discreditable campaigns, and attempts by rightists to create divisions in Sandinism, the FSLN's internal unity was reinforced through an open, frank, and democratic discussion. The fact that those holding opposing views obeyed the will of the majority made up for any deficiencies in this broadly representative assembly. The application of this standard as a permanent practice demonstrates the formidable political potential of Sandinism under the leadership of the National Directorate, which is trying to cope with the electoral defeat.

The excitement that this immediately generated—not only in the Sandinists' ranks, but also in other patriotic groups—shows that the FSLN indeed possesses the capacity of self-criticism required to turn the 25 February setback into a political victory.

A definition of the immediate tasks necessary to defend the interests of the people, the adoption of in-depth measures to strengthen the FSLN's internal democracy, and the outlining of a program and strategy for the FSLN to retake power all constitute the spirit of the El Crucero declaration. These subjects are closely related and cannot be separated. Defending the people's interests from the onslaught of the new government cannot wait for the FSLN's democratization. This defense cannot be conducted without major changes in the Sandinist organization that make it possible to release new power and energy. Also, the FSLN's democratization is not and cannot be seen as an end in itself. This process of democracy does not exclude the aspirations of the majority of the country's social forces; it is a process rooted in the people's struggle in which the FSLN is immersed. This struggle must culminate in the FSLN's reinforcement as an instrument of the masses.

The fact that the date for the First FSLN Congress was moved ahead of schedule—with the approval of the El Crucero assembly—indicates the urgent need to keep a close time relationship between the two processes. The date of the congress was moved from June 1991 to Feburay 1991.

The Sandinists have adopted a slogan upholding democracy, peace, and defense of the people's achievements. They have adopted this slogan as an appeal that includes everyone, devoid of all sectarianism.

The meeting of the First FSLN Congress is equivalent to proposing a revolution to outline the nature of Sandinism in the next decade. In this regard, the decision to elect FSLN authorities at all levels through a secret vote is an extremely significant step in the strengthening of the FSLN's political organization, whose lessons on democracy have left a permanent mark on the Nicaraguan society.

The improvement of the Sandinists' internal democracy should lead to the institutionalization, at a higher level, of the democracy that the majority of the people have been working for and that we must defend, especially now.

Radio Sandino Journalists Sign Agreement

PA2206233890 Managua Radio Sandino in Spanish 1200 GMT 22 Jun

[Text] An agreement ratifying the continuation of the El Atabal newscast was signed last night following three days of intense debates among El Atabal journalists, the Radio Sandino labor union, and Radio Sandino's management.

This agreement calls for negotiations to jointly decide what will be Radio Sandino's newscast policies for the new phase of the struggle. The agreement involves all the

Radio Sandino personnel. It calls for the creation of a collective agreement to guarantee labor stability and salary improvements for the workers. It also establishes that—after discussing the economic situation of the radio station and acquiring information on it—the labor union can participate in administrative decisions having to do with the labor sector.

Management and the labor union signed the final agreement at the conclusion of a general assembly meeting with Radio Sandino workers who backed the struggle of journalists for the continued existence of the El Atabal newscast and for the continuation of all the radio station's workers in their posts.

The leaders of the National Front of Workers will participate in the negotiations to be held with Radio Sandino's management. The front's representatives in the debates are Lili Soto and Juan Alberto Enrique, from the Union of Nicaraguan Journalists; and Alberto Mercado, from the Sandinist Central Organization of Workers.

Consequences of Reducing Military Noted

PA2606004190 Managua LA PRENSA in Spanish 20 Jun 90 p 4

[Unattributed commentary: "The Down-Sizing of the Army"]

[Text] The plan to reduce the Sandinist People's Army [EPS], which President Violeta Chamorro announced last week, has been headlined by international newspapers and dispatches for several days. In general, the announcement has been praised, but it invites a few valid remarks, which we will now make in this commentary.

"... I have given instructions to cut down on the country's defense forces. Before my government completes its first 100 days, the number of Army personnel will be reduced to less than 41,000, half the number of members on 25 April, when I was sworn in as president," said Chamorro's statement, which went around the world.

How reasonable is this reduction in the number of troops? This is perhaps the basic question in a reality where, more than considering numbers, it is important to question the country's ability to productively absorb the military personnel discharged by a process whose pace will depend in part on the government's ability to offer reasonable alternatives. The offer of resources and development centers made to the demobilized of the Nicaraguan Resistance shows and demands that the EPS officers and soldiers should be given similar benefits.

The plan mentions further reductions, but without giving details or explaining the characteristics of the process. The question here is who will be discharged and which control mechanisms the minister of defense will use to prevent the reduction from being made on the basis of a political, rather than on a professional, criterion.

Already there is apprehension that the Army staff might be inclined to keep primarily the officers and soldiers who undoubtedly are loyal to the Sandinist party. If done this way, many professional and perhaps more valuable military men would be upset by the reduction because they contributed to the now current government's electoral victory. The process could purge the Army in a different way from the professional and apolitical nature required to do so.

Another problem raised by the government's announcement is that the program fails to specify which areas would be most affected. For instance, not much would be gained from the reduction if troops that defend the capital, main cities, or borders were most affected. Things would be different, however, if the emphasis were placed on the troops primarily involved in the fighting, such as BLI's [Unconventional Warfare Battalions], military intelligence, and counterintelligence battalions. In other words, the number of men to be discharged is less important than what they do and which units will be reduced.

Finally, one important aspect deals with the EPS' present task, the preparations to step up the disarming process. We believe that in the present peaceful situation, the Army should support production and reconstruction activities. This should be done by transferring men from combat units to those that can serve as a transition for their return to civilian life. Air and sea transport, communications, road repair and construction, etc., are areas in which the Army could be of valuable assistance.

Supreme Court President on Excutive Branch Plan

PA2606023590 Managua Radio Sandino in Spanish 1930 GMT 22 Jun 90

[Interview with Supreme Court of Justice President Rodrigo Reyes by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] What do you think about the Executive Branch withdrawing from the National Assembly the two lists of three candidates presented by the Supreme Court for selection by the Executive Branch—lists that had been requested by the president?

[Reyes] This has been a source of concern because we had already discussed the issue with spokesmen for the Presidency. Those spokesmen had authorized the budget needed to employ two more justices. The withdrawal of these two lists puts the Supreme Court in an uncomfortable position, because a Supreme Court decision cannot be completely fulfilled.

The biggest source of concern is that in withdrawing the lists, the Presidency said that it would analyze the possibility of thoroughly reforming the Judicial Branch.

This is truly worrisome because the Executive Branch has no power to reform the Judicial Branch. This is a faculty that the Constitution has awarded only to the Supreme Court of Justice.

Therefore, if the Executive Branch goes through with this, it would be encroaching upon another state branch. We, as agents of the Supreme Court of Justice, would not dream of changing the structure of the Executive Branch.

[Reporter] How do you view the fact that many decrees have been turned into law in violation of the Constitution and that the prerogatives of other branches—the Supreme Court of Justice and the Legislative Branch—have been encroached upon?

[Reyes] I find it difficult to speak on this issue. You are saying that the Constitution is being assaulted and that it is possible that we may hear of these decrees as a result of unconstitutionality suits, and any comment of mine in this regard could later be used to say that I have stated my opinion on the issue and I would not be able to handle the suit. This would not be very suitable.

[Reporter] What can the Supreme Court of Justice do if the Executive Branch fulfills the pledge it made at the National Assembly?

[Reyes] There would be a conflict between state branches that would not benefit the country nationally or internationally. It would benefit neither the Executive Branch nor the Nicaraguan people because we would be violating our own laws and this government could end up being a de facto, not a de jure, government. All Nicaraguans want a de jure state. This is why we voted. We voted for a de jure state, for respect for the de jure state. We voted to consolidate the de jure state and to avoid a de facto government.

[Reporter] What impact will the Executive Branch decision to withdraw the two lists presented by the Judicial Branch for executive selection have on the Supreme Court? Will it continue to function with the same number of justices? Have you introduced an appeal to implement the expansion?

[Reyes] The Supreme Court will continue to function with the same number of justices, seven. We will continue to function with seven justices until new justices are elected.

PRC Parliamentarians Meet With Chamorro

PA2306205790 Managua Radio Sandino in Spanish 0000 GMT 22 Jun 90

[Text] An official Chinese parliamentary delegation arrived in the country today. The visit had been arranged by the previous Nicaraguan Government.

The parliamentary delegation from the People's Republic of China was greeted on arrival by Deputy Luis Sanchez, vice president of the National Assembly, and Deputy Dr. Ivan Salvador Madriz, chairman of the Assembly's Foreign Relations Committee.

The Chinese delegation is headed by Gu Ming, deputy of the National People's Congress and vice chairman of the Law Committee.

The Chinese delegation will meet with President Chamorro and Dr. Miriam Arguello, president of the Nicaraguan National Assembly.

The visitors will also meet with Nicaraguan former President Daniel Ortega and with the other members of the National Directorate of the Sandinist National Liberation Front.

Central Bank To Devalue Cordoba Daily

PA2406132990 Managua Radio Sandino in Spanish 1200 GMT 23 Jun 90

[Text] The Central Bank of Nicaragua has opted to devalue the Nicaraguan currency daily, placing staples out of reach of the working people's pockets.

The U.S. dollar, whose exchange rate was 275,000 cordobas to $1 until yesterday, went up to 300,000 cordobas at the official money exchange. Following the bank's decision, the General Oil Directorate made its own adjustments in the prices of fuels and oil by-products. A gallon of gasoline, which previously sold for 482,000 cordobas, now sells for 535,000 cordobas. Diesel went from 303,000 to 330,000 cordobas and kerosene, which cost 262,000 cordobas until yesterday, is selling today at 285,000 cordobas per gallon.

Today, the 10-pound cylinder of liquid gas, or cooking gas, costs 374,000 cordobas; the 25-gallon cylinder, 935,000 cordobas; and the 100-pound cylinder, 3.735 million cordobas. At the money exchanges, the U.S. dollar is being quoted at 300,000 cordobas to buy and 306,000 cordobas to sell.

Yesterday, meanwhile, the dollar reached the buying price of 350,000 cordobas and the selling price of 357,000 cordobas on the black market. In other words, at this moment the speculators are offering 75,000 [as heard] cordobas more than the money exchanges.

The illegal trading on U.S. dollars has reached a peak. In the meantime, transactions are limited on the parallel market because the money exchanges cannot meet the demand for the U.S. currency. The 350,000 cordobas the speculators were offering yesterday for $1 did not show the effect of today's devaluation.

Obando y Bravo Speaks at New Radio Station

PA2506151890 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 20 Jun 90

[Report by Maria Elsa Suarez]

[Text] Radio El Pensamiento was inaugurated this afternoon, 19 June. It was formerly known as Radio Paz. Cardinal Miguel Obando y Bravo was present at the event.

[Begin Obando recording] I was invited by Mr Alan Tefel. I have always praised him because, in difficult times, he was the mouthpiece for those who could not speak for themselves. I firmly believe that Radio El Pensamiento will continue to work for the reconciliation of Nicaragua. It is a reconciliation that is needed so that we can follow the path of democracy. Some people told me that Radio Catolica uses violent language. I do believe there are some news media that use violent language. I believe we must be careful about this because mean and offensive words could stir up emotions. We must currently start working to create a brotherly climate. I believe we are walking on the road of reconciliation. [end recording]

Alan Tefel, director of Radio El Pensamiento, has said he will continue with the same type of newscasts.

[Begin Tefel recording] We have always contributed to freedom of speech through El Pensamiento newscasts. When other news media here were not, we were critical of the Sandinist government. We are also going to be critical of this government. We want to contribute to national reconciliation. I am pleased to see people from both parties here. [end recording]

Members of the current government and the previous government were present at this inauguration.

The new programs of Radio El Pensamiento include three newscasts, news briefs, and Sunday programs. This station will offer opportunities for everyone.

FRG Resumes Aid With $31-Million Loan

PA2506175490 Panama City ACAN in Spanish 0022 GMT 23 Jun 90

[Text] Managua, 22 Jun (ACAN-EFE)—Official sources have reported that the FRG today resumed economic aid to Nicaragua, which had been frozen, with the signing of a $31-million loan agreement in Managua.

The agreement was signed at the Nicaraguan Foreign Ministry by Deputy Foreign Minister Noel Vidaurre, and FRG Ambassador to Nicaragua George Boomgaarden [name as received].

The loan granted by the FRG Government to Violeta Chamorro's administration will be used to purchase agricultural inputs and for development projects.

The FRG ambassador said that the loan "is a show of support and assistance for the democratization, not just of Nicaragua, but of all Central America."

Deputy Foreign Minister Vidaurre said that the agreement constitutes a "show of support for Nicaragua's democratic government, and it marks the resumption of aid to Nicaragua, which had been suspended for several years" because of problems with the former government.

The signing ceremony took place at the Foreign Ministry at the same time that a labor conflict was raging there over a demand for sizable compensation for four high-ranking Sandinist officials who were dismissed last week.

Argentina

President Rules Out Pardon for Suarez Mason

PY2506142890 Buenos Aires BUENOS AIRES HERALD in English 24 Jun 90 p 1

[Text] (NA-DYN)—[At] Puerto Belgrano President Carlos Menem yesterday ratified his intention to "heal the wounds" of past struggles between civilians and the Armed Forces and pointed out that the second stage of the presidential pardons to military officers sentenced or accused of human rights violations "is already a fact." However, Menem considered that former First Army Corps Commander Guillermo Suarez Mason, who was extradited from the United States in 1988, would "not" be included in the pardons.

The head of state did not comment on the case of former Buenos Aires Police chief Ramon Camps and stated that "all information will come in due time." Menem was speaking after concluding a 24-hour trip on board the ARA [Argentine Navy ship] Almirante Brown destroyer, which he boarded on Friday [22 June] in Mar del Plata and docked early yesterday in the Puerto Belgrano Navy base, near Bahia Blanca.

Menem also told the press that the government was unable to pay the salaries that the Supreme Court fixed for all judicial administration employees. "They will have to go and get the funds themselves," the President commented.

He earlier broadcast a message to all Navy units from the vessel and held a press conference where he underlined that the military chiefs "should not issue statements on the wage situation or on the pardons."

Menem demanded "more effort and sacrifice" from the Armed Forces and promised that salaries "will come back to their normal levels and perhaps even more."

The President was accompanied by Defence Minister Humberto Romero, Navy Chief of Staff Jorge Ferrer, Presidential Chief of Staff Alberto Kohan, his private secretaries and his personal doctor.

During his conversation with the press, Menem described the "evolution" of the Justicialist Party as "a necessary change to avoid what happened to Marxism in Eastern Europe."

After pointing to his theory of the triumph of ideas over ideologies, President Menem quoted the late President Juan Domingo Peron in that "those movements which do not evolve, experience stagnation and disappear."

Menem is scheduled to preside over a ceremony inaugurating a monument to the Malvinas War dead this morning. Members of the Armed Forces and Malvinas War veterans will participate in the ceremony and the president is expected to deliver a speech.

In related developments, the Army top brass met yesterday under the leadership of the force's Chief of Staff General Martin Bonnet to analyze the salary situation and the changes at the Fourth Army Corps after the Mendoza incidents which resulted in the resignation of corps commander General Jorge Apa.

Finally, a group of 40 Navy officers and noncommissioned officers left yesterday for Honduras, where they will patrol the Fonseca Gulf on board four Argentine missile-carrying vessels as part of the United Nations Peacekeeping Force in the region.

Cavallo To Seek U.S., Belgian Investors on Trip

PY2606020290 Buenos Aires DYN in Spanish 2350 GMT 25 Jun 90

[Excerpt] Buenos Aires, 25 Jun (DYN)—Foreign Minister Domingo Cavallo today began an official five-day trip to the United States and Belgium to talk with authorities, bankers, and businessmen and to "encourage all kinds of risk investments in Argentina."

A short time before departing, the foreign minister said that to demonstrate the seriousness of Argentine intentions, he will report, as an example, on the "successful" privatization process of the National Telecommunications Enterprise (ENTel). This morning Cavallo praised this business operation as he bid farewell to President Carlos Menem and this afternoon to the media seeing him off in Ezeiza airport.

"The government is trying to create the best atmosphere possible regarding legal security and the stability of Argentine foreign-trade relations to encourage investments," the Argentine foreign minister added. Following his meeting with Menem, Cavallo reported that in the United States and Belgium he will report on how the Argentine government is adopting measures to guarantee legal security for foreign investments.

Cavallo will have a meeting at the Society of the Americas in New York, and he will contact members of investment banks which are not creditors of Argentina. The foreign minister will also stay three days in Belgium where he will be received by King Baudouin and meet with authorities of the Belgian Government and the European Community.

When asked about the first step that was taken today regarding the privatization of ENTel, Cavallo said: "This demonstrates that the government complies with its objectives and that there are foreign investors interested in the companies which are being privatized."

"This is also evidence that things are going well despite the criticisms made regarding alleged contradictions," the minister added. Cavallo stressed: "There is no example of the privatization of such an important company as ENTel, in such a short time and with so much success, in any other part of the world." [passage omitted]

Domingo Cavallo Praises ALADI Trade Agreement

PY2506020090 Buenos Aires BUENOS AIRES HERALD in English 23 Jun 90 p 13

[Excerpt] Foreign Minister Domingo Cavallo yesterday announced that Latin American presidents and foreign ministers will meet in the first quarter of 1991 to analyze the creation of a free trade zone in the region.

During his customary press conference for foreign journalists, Cavallo also stressed the importance of an agreement to reduce import duties, which 11 countries signed in Montevideo last Wednesday at a meeting for the Association for Latin American Integration's (ALADI), pointing out that the move represents a first step towards the creation of a free trade area.

He added that this agreement marks the end of a process of trade relations among the ALADI countries based on an import substitution system and kicks off free competition among these nations. [passage omitted]

Army Chief of Staff Leaves for Visit to France

PY2506125690 Buenos Aires DYN in Spanish 1430 GMT 24 Jun 90

[Text] Buenos Aires, 24 Jun (DYN)—Army Chief of Staff General Martin Bonnet left for France early this morning at the invitation of the French Defense Ministry. In France, he will attend several conferences and visit a weapons exhibition, which is held in Paris every year.

During his visit to France, which will end on 28 June, Bonnet will visit several exhibitions at the French Army high command and a war materiel fair, which is organized every year by the French Defense Ministry.

People View Policy on U.S. Relations Positively

PY2506172490 Buenos Aires DYN in Spanish 1134 GMT 24 Jun 90

[Text] Buenos Aires, 24 Jun (DYN)—The Unity for the New Majority Study Center [Centro de Estudios Union Para la Nueva Mayoria] said today that according to a poll carried out in the capital and the greater Buenos Aires area, the people have a positive image of the government's rapprochement policy with the United States.

The poll indicates that a favorable image of that policy is held at a ratio of two to one, which represents an important change from previous years when there was resistance to this type of policy in many sectors of society.

The poll was carried out among 1,000 people, of which 49.9 percent expressed support for President Carlos Menem's rapprochement policy; 15.3 percent said their support was fair; and 23.8 percent did not support it.

The largest support, 53.5 percent, was seen in the greater Buenos Aires area, while 24.3 percent in Buenos Aires did not support it.

The poll also revealed that the political sector that is the most favorable to this policy is the Democratic Centrist Union, where 76.6 percent of the people supported it and only 2.6 percent of the people were against it.

Of the people who voted for the Peronists in the last elections, 50.3 percent expressed support for the government policy and 23.3 percent did not. Of the people who voted for the Radical Civic Union, only 47.9 percent expressed support, and 24.8 did not.

The largest negative reaction was found among people who voted for the United Left, 70.4 percent rejected it and only 7.4 percent supported it.

Emergency Assistance Program for Iran Announced

PY2606003190 Buenos Aires TELAM in Spanish 2018 GMT 25 Jun 90

[Text] Buenos Aires, 25 Jun (TELAM)—Foreign Minister Domingo Cavallo and Public Health and Social Action Minister Eduardo Bauza today announced a broad emergency program for the victims of the tremor that recently shook Iran.

The Foreign Ministry communique announces that decisions are being made in response to appeals forwarded via the Argentine Embassy in Teheran. The earthquake affected a large area in the northern sector of Iran, killing more than 40,000 people, injuring many more, and causing heavy damage.

Oil Fields To Open to International Bidders

PY2206201690 Buenos Aires BUENOS AIRES HERALD in English 22 Jun 90 pp 1,4

[Excerpt] (NA-DYN)—The government yesterday finally signed the decree calling international investors to bid for the development rights on four of the country's richest oilfields.

The announcement made by President Carlos Menem and Public Works Minister Roberto Dromi offset growing scepticism of the success chances for the entire state reform programme provoked by yesterday's postponement of the opening of bidding envelopes for Aerolineas Argentinas until July 6.

Menem described the opening of bids for the four central oilfields, approved on Wednesday by the bicameral commission on state reform, as "the first step" of the most "innovative" shake-up made in the petroleum sector since the administration of Arturo Frondizi.

He also confirmed that the presentation of offers for the leasing of 38 YPF [Government Oil Deposits]-owned secondary oilfields, making up some 13 percent of total national output, will be made today.

Dromi, meanwhile, praised the project as "the state's first major privatization and the first privatization of oilfields made in all Latin America," adding that a further 40 fields were being drawn up for similar leases.

He further claimed that "over 100 envelopes" had already arrived and estimated that the Treasury would earn "not less than 250 million dollars" from the eventual leases which will involve an equal association of extraction rights with YPF. [passage omitted]

Mendoza Province To Export Machinery to USSR

PY2506193290 Buenos Aires DYN in Spanish 0342 GMT 25 Jun 90

[Text] Buenos Aires, 24 Jun (DYN)—It has been officially reported that five Mendoza Province metalworking industries that manufacture equipment for making candy and marmalade have begun to export their equipment to the USSR in compliance with the terms of an agreement signed between the Soviet Union and the Mendoza provincial government.

The equipment consists of two lines for the production of candy and marmalade and is worth $700,000. The total export, which will amount to $2 million, will have to be sent to the USSR before the end of the year. According to the agreement signed by Mendoza Governor Jose Bordon, the sale of Mendoza-made industrial equipment to the USSR in the next four years could total $30 million.

The group that manufactures this equipment is called Associated Argentine Metalworking Industries and comprises Industrias Arquimedes Rossi S.A., Inquimet S.A., Frannino Metalworking Industries S.A., Gasquet Sudamericana S.A., and the Condor Metalworking Shops. In all, these industries hire more than 600 workers and technicians.

In the last two years, Mendoza Province doubled its exports largely as a result of trade agreements it signed with the Soviet Union.

Businessmen Warn Against Recession Due to IMF

PY2506174890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2104 GMT 24 Jun 90

[Text] Buenos Aires, 23 Jun (NA)—The National Entrepreneurs' Front [Frente del Empresariado Nacional, FEN] today pointed out that the signing of an agreement memorandum with the IMF "will result in the most brutal recession the country has ever known."

After a meeting in the federal capital this weekend, the highest leaders of the businesses that make up the FEN signed a document pointing out: "This adjustment policy, which is aimed at reducing domestic consumption to a minimum, will affect wage earners."

"This agreement," the document adds, "which forces the government to reduce public expenses indiscriminately, will lower the quality of the most essential services that the state must provide for the people, put an end to investments, and maintain salaries at a very low level."

The document was also signed by the Argentine Agrarian Federation, the Argentine Confederation of Cargo Transportation, the Institute of Cooperative Funds, the Dairy Producers Union, the Retail Businessmen Coordinating Board, the Fedecamaras [Federation of Associations and Chambers of Commerce and Industry], the Small and Medium-Size Companies Assembly [Asamblea de la Pequena y Mediana Empresa], the General Economic Confederation of the Federal Capital, the Kiosk Owners Union of the Argentine Republic, and the Importers and Exporters Association of the Argentine Republic.

Bolivia

Capobianco on Alleged Presence of Shining Path

PY2206140490 La Paz La Red Panamericana in Spanish 1130 GMT 22 Jun 90

[Text] Interior Minister Guillermo Capobianco has not ruled out the possibility that Shining Path terrorists are in Bolivia. Capobianco was asked about a report released by the Peruvian Embassy in Bolivia on the alleged presence of this terrorist group in Bolivian territory.

Peruvian Ambassador to Bolivia Oscar Maurtua de Romana said that the Bolivian and Peruvian intelligence services are constantly exchanging secret information, but he did not provide further details.

Capobianco said that government security organizations are on the alert, but it is difficult to control the long border between Bolivia and Peru because the armed forces lack the appropriate resources to undertake this task. He added that the sovereignty project to be implemented in Bolivia's border areas will decisively contribute to improving control in the territory.

Commander Denies Presence

PY2506130890 La Paz La Red Panamericana in Spanish 1130 GMT 25 Jun 90

[Excerpt] Armed Forces Commander in Chief General Jorge Moreira has stated that the Armed Forces are carrying out their specific task through advanced posts on the country's border with Peru, and up to now, we have no report that the Shining Path has penetrated Bolivian territory.

Acknowledging that the border is very long, he indicated that there are sectors where no control is exercised, but in any case, we have no reports on the probable entry of foreigners into the country. [passage omitted]

Jet Confiscated With Drugs; Americans Arrested

PY2206132690 La Paz La Red Panamericana in Spanish 1130 GMT 22 Jun 90

[Text] A white and blue U.S. Lear Jet 35, license number N-964, was confiscated by narcotics personnel at the El Alto International Airport yesterday. According to reliable sources, a large cocaine shipment was found inside the plane. The drug had been purchased in Bolivia and was meant to be taken to the United States. The sources, which asked to remain unidentified, said that the plane arrived in Bolivia on 12 June from Guayaquil, Ecuador, and was flown by pilot (Frederick Ryan), and copilot (Turner Winful).

During the operation, the police also arrested Emilio Estevez, possibly a Colombian, (Curt Ashwell), (Stuart Miller), and (Paul Robinson), apparently American citizens.

It has also been learned that the prosecutor for narcotics crimes was seen at the El Alto airport on 19 June, and on 20 June, Air Force officers and a towing team were seen at the airport trying to tow the aircraft into one of the airport hangars. However, they did not succeed because they did not have the aircraft's control key.

The sources added that the Bolivian police have allegedly presented a petition to confiscate the jet, but it has not been ruled out that the U.S. Embassy could request the return of the aircraft to the United States. We expect an explanation from the Bolivian Government on this case.

Planning Minister on Inflation Rate, Readjustment

PY2306151190 La Paz La Red Panamericana in Spanish 1130 GMT 23 Jun 90

[Text] Planning and Coordination Minister Enrique Garcia has said that if the current economic situation does not change, the inflation rate for 1990 will not surpass 12 percent because the fuel hike ordered by the government will not significantly affect prices.

Garcia said that six days after the fuel price was readjusted, economic activities in the country are normalizing. This fact leads to the conclusion that the situation will significantly improve in the next week.

Garcia explained that the inflation rate did not surpass 2.3 percent before the fuel price readjustment. He added that had the fuel prices not been increased, inflation would have stood at eight percent this year.

The fuel price readjustment will cause the inflation to slightly increase but it will not surpass eight percent during the first quarter. This shows that there is a good margin to meet the goals.

Garcia refused to comment on whether utility rates will be readjusted. He said that based on its principles the government maintains the policy of real prices for the main enterprises.

Army Denies Armed Intervention Against Peasants

PY2206122390 La Paz Television Boliviana Network in Spanish 0030 GMT 22 Jun 90

[Text] Division General Augusto Sanchez, general manager of Cofadena [Armed Forces National Development Corporation], has denied that the Armed Forces have carried out an armed intervention against peasants in Narajillos, Tarija.

[Begin recording] [Sanchez] We have issued an explanatory report because there has been some misinformation. No military occupation nor armed intervention has taken place. What happened was that a company of the Padilla Regiment was deployed to the Fortin Campero military post, an area where some peasants who own land in the neighborhood pass by. Moreover, there is a conflict in that zone over land granted to the Armed Forces through Cofadena. Fortunately, everything has been clarified and a special commission will travel to the area to check the situation. We are also trying with the president of the land reform program to solve the problem of land ownership.

[Unidentified reporter] That means there were no incidents?

[Sanchez] None, absolutely none. It was just a problem of misinformation which, I believe, was rather hasty because two things were misunderstood. One has to do with a strictly military issue which is the deployment of troops to a military post, which is something normal and part of the sovereignty plan. [end recording]

Spanish Official Supports Antidrug Struggle

PY2306182290 La Paz La Red Panamericana in Spanish 1130 GMT 23 Jun 90

[Text] During his visit to the town of Chapare, the Spanish Secretary of State Rafael Vega said yesterday that Bolivia is confronting the main struggle against drug trafficking. He said that the developed countries should make a special effort to provide assistance because drug trafficking is an international problem.

In the statements he made yesterday, in the towns of Chimore and Chapare, the minister said that the task carried out by UMOPAR [Mobile Units for Rural Areas] is worthy of praise and that as soon as he returns to his country he will ask the Spanish Government to increase its cooperation. Bolivian Interior Minister Guillermo Capobianco said that during Vega's visit more cooperation was requested, especially of the Spanish Government.

Capobianco explained to Vega the economic problems that Bolivia is facing in development efforts, in implementing a coca-leaf replacement program, and in fighting drug traffickers.

Capobianco told Vega that Bolivia has a weak economy and many financial problems. He added that we have

little opportunity to exploit our resources to promote the country's development, but we do have the authority to use them.

We should recall that a few minutes ago Panamericana reported that in Chimore the Spanish Minister burned one ton of cocaine that was seized from local drug traffickers.

Brazil

BC Says No Payments on Debt Since March

PY2206003590 Rio de Janeiro O GLOBO in Portuguese 20 Jun 90 p 19

[Text] Brasilia—Antonio Claudio Sochaczevski, director of the exchange and international affairs department of the Central Bank (BC), yesterday reported that since 31 March 1990—when a series of credit obligations began to come due—Brazil has not paid any interest or principal to the Paris Club. He refused to say how much was overdue and said that he was unaware of a decision by the U.S. Eximbank—a bank linked with the Paris Club—to stop financing Brazilian foreign trade operations.

Some newspapers have reported that the decision was announced by John Lentz, head of the Eximbank's department of credits for Brazil. Sochaczevski explained that the Central Bank is checking to see if any of the payments have failed to be made because of bureaucracy.

The BC director believes that the official institutions that finance Brazilian trade abroad will not adopt any retaliatory measures against the country for being late in servicing the debt, although all of these institutions are linked to the Paris Club. The BC has been informally informed that Brazil is no longer on the list of the Paris Club's bad debtors.

The situation, however, is not as favorable as Sochaczevski portrays it. In addition to being late with the payments that have become due since the installation of the Collor Administration, Brazil has held back $1 billion in payments since 1 January.

Measure To Further Reduce Money in Circulation

PY2306013090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 90 p 9

[Excerpt] Brasilia—The Central Bank issued a new measure on 21 June to further reduce the amount of money in circulation. Through Circular No. 1764, which was released last night, the Central Bank has increased the compulsory required reserve on demand deposits from 38 to 45 percent. According to an estimate by Luis Eduardo de Assis, the bank's director for monetary policy, the initial impact of the measure will be a withdrawal of 37 billion cruzeiros from circulation on 25 June, the first day that the measure will be in effect. [passage omitted]

Homemade Bomb Explodes in Leftist Daily Office

PY2506194890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 90 p 21

[Excerpts] A homemade bomb exploded early yesterday morning in the headquarters of the political newspaper, HORA DE POVO, an eight-page daily of the Eight October Revolutionary Movement (MR-8) of Sao Paulo. It was a weak explosion, but the people living on Tenente Azevedo Street, Cambuci District, were scared by the explosion, the smoke, and powder smell. The daily's director did not want to accuse anyone. The police investigation will begin on 25 June.

The explosion smashed the steel door and broke one of the windows of the printing shop located below the editor's room. It also damaged a vehicle parked in front of the building. [passage omitted]

HORA DO POVO was founded in 1979 and was published as a weekly until 1986. It reappeared in October 1989 as a newspaper with 50,000 copies printed. It has suffered four attacks since it was founded.

Drug Enforcement Administration Agents Profiled

PY2506223490 Rio de Janeiro O GLOBO in Portuguese 24 Jun 90 p 11

[Excerpt] DEA agents' activities are not publicized, and they always live far from their families, but in compensation they earn high salaries, which cause the envy of the most fortunate "marajas" [ghost workers of the public sector]. The agents of the DEA, the main U.S. antidrug organization, go through a military style training and take rigorous exams. They are spread all over the world, especially in drug producing countries which are used as spring boards to export the drug to the United States and Europe, such as Brazil.

DEA agents are not allowed to grant interviews and they pay their informers $5,000 for each kg of cocaine seized anywhere. The director of the DEA office in Brazil works at the U.S. Embassy in Brasilia and the agents under his service are spread throughout Brazil, especially in the great capitals such as Sao Paulo and Rio de Janeiro.

DEA agents cooperate with the Brazilian Federal Police. In countries where they are not allowed to operate they manage to infiltrate in order to prevent drugs from entering the United States. DEA agents provide information to the Brazilian Police, which almost always helps them to seize large quantities of cocaine in the interior of the state. [passage omitted]

Sao Paulo Poll Shows Collor Losing Popularity

PY2406014090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 90 p 5

[Report by Caco de Paulo]

[Excerpts] He was installed in Planalto Palace with the greatest number of votes and the highest degree of

popularity ever given to a Brazilian president, but 100 days later President Fernando Collor's image is showing signs of deterioration in the country's largest and wealthiest city. [passage omitted]

This is the result of a poll taken of men and women between 14 and 19 June by InformEstado. The decrease in the levels of satisfaction and the confidence in Collor over these 100 days reveals politically relevant information, including how that lack of satisfaction is divided by classes. Of those who say they are not satisfied or are very dissatisfied, 58 percent are found at the two ends of the social scale. The dissatisfaction reading reaches 66 percent among the rich and 60 percent among the poor. This is an indication that Collor's actions affected the so-called "elite" and were also deceiving to those who voted the most for him, classes D and E [not further identified], whose concern increased with the thought of unemployment and the possibility of having to purchase less food.

The middle class cannot be included in the group that is demanding more from Collor. The poll indicates that 52 percent are satisfied or very satisfied with the first 100 days, while 48 percent are dissatisfied. Regarding the so-called lower middle class, the dissatisfaction has increased to 59 percent, while 41 percent have no complaints. [passage omitted]

In the poll carried out for O ESTADO, InformEstado used the methodology of house visits in the four geographical zones of the city of Sao Paulo. The pollsters visited 500 men and women at home, distributed proportionally by sex and social class.

Minister Cardoso's Popularity Drops in Sao Paulo

PY2406032090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 90 p 5

[All figures as published]

[Excerpt] Minister Zelia Cardoso de Mello began her task in the government with a popularity rate that was nearly as high as the inflation rate for the last month of the Sarney government. After the implementation of the Collor Plan, InformEstado polled a credibility rate of 91 percent for the economist, who was completely unknown to the public just a few months ago. Her popularity was just lower that of the president, who polled in at 93 percent.

The inflation rate fell, economic production fell, and the popularity of Zelia Cardoso de Mello also fell. No less than 32 percent of those polled by InformEstado between 14 and 19 June said that her actions had a negative effect, while 21 percent consider them positive. Another 46 percent consider her actions as economy minister to be average, and one percent said that they did not know. [passage omitted]

Growing Amazon Forest Destruction Reported

PY2606004890 Brasilia Domestic Service in Portuguese 2200 GMT 25 Jun 90

[Text] Speaking at the opening session of the Sixth Brazilian remote sensing symposium being held in Manaus, Science and Technology Secretary Jose Goldemberg warned that the destruction of the Amazon forest has increased.

Goldemberg said that, based on information gathered by the National Institute of Space Research [INPE], 404,000 sq km of forests have been destroyed in the region.

He reported that some mathematical corrections had to be considered in order to estimate the exact forest area that was destroyed last year. According to the estimate, 30,000 sq km of forests were destroyed between 1988 and 1989. Goldemberg said that the new method of calculation, which has been specially designed by the INPE, has provided accurate results. He said that the calculation work took two months and cost approximately $300,000. He added that 167 satellite pictures that were taken this year were compared with 101 photos taken in 1988, and with 128 photos that were used as background [words indistinct] in 1989.

The symposium is being attended by more than 500 scientists from 15 countries. Simultaneously, an international symposium on the procurement of basic data on the Amazon is being held.

Radiobras Dismisses 25 Percent of Employees

PY2206030090 Brasilia Domestic Service in Portuguese 2200 GMT 21 Jun 90

[Summary] The Justice Ministry report that will be submitted to President Collor will emphasize the administrative reform carried out at Radiobras. As a result of this reform the organization dismissed 25 percent of its employees; it now has only 998 employees, instead of the 1,332 it had on 13 March. To reduce expenses Radiobras closed 14 regional offices and reduced the number of employees at the seven remaining offices, which are now branch offices of the Brazil Agency.

* Collor Announces Housing Assistance Plan

90SM0126A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 90 p 7

[Unattributed article: "President Creates New Housing Plan"; first paragraph is editor's foreword; boxed material as indicated]

[Text] The plan provides for the construction of 200,000 low-cost housing units using funds from the FGTS [Unemployment Compensation Fund].

Brasilia—President Fernando Collor yesterday announced the initial measures contained in a "social package" that his administration is preparing with the

aim of assisting the disadvantaged segment of the population. At 1600 hours—one hour behind schedule—he announced at Planalto Palace the "Immediate Action for Housing Plan," which consists of three programs providing for the construction of 200,000 homes that will be made available—with mortgages extending over a term as long as 25 years—to workers who have an income of from one to five minimum wages and do not own their own home.

The nationwide housing shortage is approximately 10 million units; Collor intends to construct four million by the end of his administration. Minister of Social Action Margarida Procopio said that plans call for the financing of an additional number of housing units to be authorized this year; the number remains secret.

The cost of the 200,000 homes is 140,000 Financing Reference Value Units (VRF's)—77 billion cruzeiros, with the VRF calculated at 548.80 cruzeiros—on deposit in the Unemployment Compensation Fund (FGTS). The price of each unit will be 700 VRF's (383,800 cruzeiros), on which the worker will make monthly payments of no more than 20 percent of his wages including interest at three percent per annum plus the monetary correction. States with a greater volume of FGTS funds will be the first to reduce their housing shortage; Sao Paulo—which holds more than 36,000 VRF's—will be able to build 51,960 homes.

"The instruments of housing policy at the government's disposal were diverted from their true purpose," President Collor charged yesterday [16 May]. He promised that the FGTS resources will in the future be used "preferentially" to build housing for low-income Brazilians.

[Box, p 7] The Goal Is To Help the Poorest Brazilians

Following is the full text of President Fernando Collor's speech delivered yesterday afternoon announcing the "Immediate Action Plan" for low-cost housing.

"We all know that one of the most serious problems afflicting Brazilian society is the housing problem. The figures show that there is a shortage today—a shortage on the order of 10 million units.

"This is because for a long time the major instruments of housing policy at the government's disposal have been diverted from their true purpose. One of these instruments of housing policy has been the Federal Savings Bank, which since our administration took office has been regaining its capability.

"It is therefore essential that the Savings Bank, in accordance with its new management and the guidance it has been receiving since last 15 March, invest the workers' contributions that are withheld from their wages each month and are used to form the FGTS—the Unemployment Compensation Fund—and that these contributions be invested preferentially—almost 100 percent—in the construction of housing to meet the needs of Brazilian workers.

"No longer will we be able to continue financing luxury apartments and houses for a segment of Brazilian society that does not need this financing or this money in order to be able to have their own homes, because in many cases—as we all know—money is withdrawn from the Savings Bank to acquire a second or third residence. We must take care of the segment that is disadvantaged—those who are without a roof over their heads to protect themselves and their families. This is precisely the orientation imparted to the Federal Savings Bank and also to its board of trustees, which determines—based on precise percentages and quotas—the sum that each of the Brazilian states is entitled to receive from the Unemployment Compensation Fund.

"In short, the money in the FGTS will be used exclusively to build low-cost housing to meet the needs of Brazilian workers.

"However, before we were able to reorganize the nation's finances and also before we were able, in terms of the budget, to know more precisely how much we would have to invest in this sector of such vital importance to our nation in the social area, we decided—on an emergency basis—to establish this Immediate Action Program under the Ministry of Social Action by using the money in the Unemployment Compensation Fund while authorizing—as I have just done—the statement of policy submitted to me that provides for construction to start immediately on 200,000 homes for workers who earn from one to five minimum monthly wages.

"We want in this way to give, or channel, this money contributed by the workers so that they will be able quickly—with very little delay—to initiate this process of change in the destination of these moneys, with absolute priority being assigned to the least advantaged class in our nation.

"I want to congratulate the minister of social action for the speed with which she took the measures necessary for us to be able today to sign this document, and I also want to congratulate the Federal Savings Fund, which will have the task—during the next five years, while we are responsible for directing the fortunes of the nation—of serving as the major instrument of the government's housing policy and also of the government's social policy.

"All of us want this initiative to be the start of a great process: a process that strives by all available means to end this shortage, this lack of housing that distresses all of us and leaves us with a tremendous desire to overcome the difficulties and thereby be able to provide the Brazilian people with the housing and living conditions that they deserve."

* Military Club Head Vows To Defend Rights

90SM0126B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 May 90 p 4

[Interview with Reserve General Nilton Cerqueira, newly elected head of the Military Club, by Jose Paulo da Silva and Roberto Pumar, on 21 May; place not given] Nilton Cerqueira, 59, who was accused by his opponents of wanting to transform the Military Club into a kind of "uniformed CUT [United Federation of Workers]," yesterday afternoon began a premature celebration of his election as president of that institution. Cerqueira believes that the victory of the "Action for Change" slate is due, among other things, to the proposal to make the club an organization that fights for the rights of the military, and especially those rights relating to the issue of pay—which he promises will be brought up for discussion with the military members of the Cabinet.

He acknowledges that the punishment of Reserve Generals Newton Cruz and Euclydes Figueiredo had the effect of strengthening his slate. Two weeks ago the two generals had criticized the administration of President Fernando Collor. "No one can survive without information in the form of intelligence," Cerqueira declared. An indication of its importance, he said, is the fact that "it served to reveal the gains made by the Collor candidacy." Late that afternoon Cerqueira won by a wide margin over his opponent, General Diogo de Figueiredo, brother of former president Joao Figueiredo. "I am ecstatic," Cerqueira confessed at the outset of the interview printed below.

'The Evil Came to an End'

[O ESTADO] General, you are on the verge of becoming the new president of the Military Club, and your opponents accuse you of wanting to transform that institution into a kind of labor union for the military. How could that be?

[Cerqueira] During the campaign some people of the other slate did in fact try to accuse us of having such an intention. The accusation is not true, however. I want to make the club an organization that defends the rights of the military, that is an advocate of their aspirations. Even matters regarding pay will be discussed, and we are going to try to resolve them by taking the problems before the military members of the Cabinet. That does not mean I want to enter the field of politics.

[O ESTADO] If you intend to transform the club into an entity that defends the rights of the military, how will you resolve disputes such as the one involving Gens. Newton Cruz and Euclydes Figueiredo, who were punished for criticizing the Collor administration?

[Cerqueira] It is a matter that we need to study and see what course we should take.

[O ESTADO] The two generals declared themselves opposed to the elimination of the SNI [National Service for Intelligence]. Do you agree with their position?

[Cerqueira] No one can survive without information in the form of intelligence. It served, for example, to reveal the gains made by the candidacy of President Fernando Collor. I believe, however, that these disputes should be resolved privately. It is difficult for a politician to survive without information in the form of intelligence.

[O ESTADO] You believe the punishment of the generals strengthened your slate of candidates. Why?

[Cerqueira] I concede that it did. That was because of the proposal put forward by my slate.

[O ESTADO] Do you personally believe that military personnel should not criticize the government?

[Cerqueira] As a citizen, any member of the military has the right to engage in criticism, and especially because he keeps up with the course of events in Brazil. But I don't want to enter the political aspect of the matter. We will see how we behave in situations such as this.

[O ESTADO] How do you view the administration of President Fernando Collor?

[Cerqueira] Positively. I expect the president to achieve goals that will result in the well-being and progress of Brazil, primarily in the social area.

[O ESTADO] How do you view the performance of the parties of the Left such as the PT [Workers Party], the labor unions, and the labor federations such as the CUT [United Federation of Workers]?

[Cerqueira] Thank God for the fact that terrorism does not exist in Brazil. Ours was the only country that literally put an end to terrorism, by combating the terrorists in a struggle in which there was much bloodshed. But the evil came to an end. Concerning the aforementioned parties, I prefer not to make any comment, because I do not want to enter the area of politics.

[O ESTADO] Do you take pride in the fact that you commanded the patrol that killed Carlos Lamarca?

[Cerqueira] Certainly. I am proud to have combated terrorism. Moreover, Brazil is the only country that defeated terrorism and never again had any problem with it. I believe that somber periods such as those will never return. The Armed Forces were in favor of amnesty, and those who were still alive returned. Everything is all right now.

[O ESTADO] Do you advocate participation by the military in the decisions taken by the government?

[Cerqueira] In their capacity as citizens, yes.

[O ESTADO] What is your evaluation of your command of the Military Police of Rio?

[Cerqueira] I don't know. You people of the press are the ones who can make an evaluation.

[O ESTADO] Were you not accused of having stood aside during the Riocentro affair in 1981, by withdrawing all police surveillance from the area?

[Cerqueira] No blame has to date been placed on the PM in connection with the Riocentro case. One of my sons was even in the "show." Do you think I would want him to be a victim?

[O ESTADO] How are your relations with the head of the opposing slate of candidates, Gen. Diogo?

[Cerqueira] Excellent. But I am very happy to have defeated him, especially because he is the brother of a former president. I have also praised the position taken by the military members of the Cabinet, who did not interfere in the election.

* Successes in Parallel Program Surveyed

90WP0089A Rio de Janeiro MANCHETE in Portuguese 12 May 90 pp 36-41

[Article by Helio Contreiras; first two paragraphs are MANCHETE's introduction]

[Text] International organizations concerned with nuclear energy in Europe and the United States now know that Brazil is enriching uranium for its first nuclear-powered submarine, nuclear power plants, or even (if someday it is bold enough) the bomb. Until now, the press has not had access to the superguarded laboratory where all this is happening: the Aramar Experimental Center in Ipero, Sao Paulo. Last week MANCHETE penetrated the secrecy, and here now, for the first time in the world press, are photographs of the facilities where Brazil is working on its atom (the machines shown here [photograph not included] are autoclaves, which keep the uranium hexafluoride at the proper temperature). For the alarmed and the alarmists, we have some reassuring information: Brazil does not want the bomb.

The facilities at the plant in Ipero are controlled from this room [photograph not included], from where an operator observes everything through computer terminals and operates mechanisms by pushing buttons. Technicians say there is complete safety, and to prove it, they eat vegetables grown near the plant. Radiation levels are measured constantly by an ecological control section.

The Autonomous Nuclear Program has now provided Brazil with a passport enabling it to join the most exclusive elite group on the planet: the atomic club. At the uranium enrichment plant located a little over 100 km from Sao Paulo, the Aramar Industrial Center is now in a position to supply fuel for Brazil's first nuclear-powered submarine and an electric power plant. If it wanted to, it could think about an atomic bomb, but it knows that that would be absolute madness: "The atomic bomb should be regarded realistically as what it is: an instrument of destruction that ensures not victories but defeat for everyone," says General Deoclecio Lima de Siqueira, former Air Force chief of staff.

As early as the 1950s, Admiral Alvaro Alberto (for whom the plant in Ipero is named) was advocating nuclear research. He was preaching in the wilderness, and many people saw him as a visionary. Until, in 1980, the Navy and the National Nuclear Energy Commission began developing an autonomous program parallel to the one being carried out by the government under the agreement signed with the FRG in 1975 during the Geisel administration.

While the official program (covered by the agreement with the FRG) kept leading to fiascos like Angra I (the turnkey technological package), the autonomous program was achieving spectacular results. Working with scientists from Sao Paulo University's Institute for Nuclear and Energy Research (IPEN), the autonomous program mastered the technology for uranium enrichment, which until then had been the exclusive property of powers such as the United States, the Soviet Union, China, Japan, Great Britain, France, and Holland.

At the Ipero plant, the uranium enriching equipment is located in the Alvaro Alberto unit, which is one of the most restricted areas and one surrounded by the greatest safety procedures. The only thing is that the men inside that unit do not wear special masks or clothing like that worn by astronauts. One official, engineer Pedrosa, explained: "There are no radiation problems here. Uranium hexafluoride is a gas, but if a leak occurred, it would immediately solidify, with no threat to human life."

The technology developed by the Autonomous Nuclear Program is ultracentrifugation, a method of separating the radioisotopes of uranium-238, which exists to an extent of 0.7 percent in natural uranium [as published]. Uranium-235 is the fissionable uranium, and it is what makes possible the nuclear chain reaction that converts nuclear energy into thermal energy. Operating like a cream separator, the centrifuge separates the isotopes of uranium-238 from uranium-235. Enrichment consists of increasing the uranium-235 content. In the case of the Angra I nuclear power plant, for example, uranium is enriched from two to four percent. Enrichment for the IPEN's reactor reaches 20 percent, and that is more than what is needed for the reactor in a nuclear-powered submarine.

In the control room at the Alvaro Alberto Unit, engineer Pedrosa opened a glass partition and pointed to the enrichment equipment. "There it is. You can photograph it, but do not show the part involving state secrets because we need to safeguard our technology." MANCHETE's photographer set up his tripod, placed his camera on it, and aimed in the direction of the centrifuge. In a few moments he would be recording one the latest discoveries by Brazilian researchers. Engineer Pedrosa looked through the lens of the Nikon and said: "You focused just right." In an atmosphere of total

curiosity, MANCHETE's reporters opened a door and watched preparations being made for another enrichment unit. The date on which it will begin operations has not yet been decided.

When construction of the Ipero nuclear complex began, there were demonstrations against it. But the safety measures that were adopted have reassured the inhabitants. Especially since one of the main objectives of the autonomous program is construction of the atomic submarine. And a submarine reactor has to be much safer than one in a nuclear power plant. No one in the Navy wants to play hero by going on board a submarine whose reactor is not completely safe. Apparently the components of the first reactor are already being manufactured by Brazilian firms in Sao Paulo. The components will be submerged in a tank that will be built in Ipero. Only after that will construction of the reactor for the first Brazilian atomic submarine begin. Because of the current budget restrictions, the submarine cannot be completed until the final years of this 20th century.

Technicians Work Without Masks

One of the concerns of those involved in the program is atomic waste, chiefly plutonium, which is produced within the reactor itself wherever enriched uranium is used. The reason is that the atomic bomb can be built using plutonium-239. To do so, however, it would be necessary to have a plutonium-producing reactor, and such reactors exist only in the United States, the Soviet Union, France, Great Britain, and China. Plutonium would be extracted by reprocessing the irradiated fuel, and doing that would require construction of a plant especially for that purpose. The bomb that exploded over Hiroshima in August 1945 had about four tons. The weight of the plutonium was relatively low, but there was a steel structure designed to cause an unimaginable chain reaction.

The chairman of the Navy's Coordinating Office for Special Projects (Copesp), Admiral Othon Luiz Pinheiro da Silva, absolutely rejects the idea that Brazil might venture into the insanity of building the bomb. He prefers to emphasize the benefits that nuclear research has brought to Brazilian industry. "Very soon we will have set up the Ipero High Technology Center Foundation. The technological benefits for industry will be even greater than those obtained so far. We are going to open up the Aramar Center's facilities to firms in the region."

Adm. Othon has been watching over the day-to-day work of the autonomous program for 10 years. "Investments have exceeded $300 million, including payroll. But it needs to be explained that most of that—over 90 percent—was in the form of national currency." In a very proud tone, he pointed out: "We are now one of the few countries in the world to enrich uranium and process it to the point of making it a source of heat for the generation of energy. This makes it a very important fuel not only strategically but also economically, scientifically, and technologically. Very few other countries have this ability."

The enrichment technology developed in Brazil is the most economical of all known technologies, he said. China, for example, is abandoning the gaseous diffusion method (adopted by Argentina and also the method used to enrich uranium for Angra I) in favor of ultracentrifugation.

Bomb Would Be Gate to Apocalypse

Japan, whose industrial management methods are considered the most advanced in the world, has also chosen ultracentrifugation. In any case, thanks to the technology it has now developed, Brazil will be able next year to stop importing radioisotopes for medical use in the preventive treatment of disease. Brazil has 1,700 hospitals using radioisotopes in the prevention of heart problems, thyroiditis, gastritis, and other diseases.

Safety measures at Ipero are not limited to the Alvaro Alberto Unit. They also extend to the other facilities at the Aramar Experimental Center, examples being the training building, where technicians are taught industrial safety; the radioecology laboratory, which is concerned with environmental protection studies; the administration building; the building where centrifuge components are manufactured; and the testing station where the condition of steam and electrical equipment is checked. Navy officers say they are ready to welcome any authorities from Ipero or the State of Sao Paulo who want to inspect the facilities. They confirm that work will soon get under way on a project of local and national interest—the Ipero High Technology Center—that will benefit the town.

Despite everything, the question remains: what about the bomb? Technicians and military reply with a laugh that that would be contrary to Brazil's strategic interests. They all agree with Gen. Deoclecio Lima de Siqueira, who is currently head of the Air Force Historical and Cultural Institute. He says: "All countries, including Brazil, must forego plans to build an atomic bomb. In Brazil's case, the defense option calls for developing high-tech but conventional projects involving lasers and electronic warfare, for example. But not the atomic bomb. And not chemical warfare." After all, the A-bomb could open the way to apocalypse.

Chile

Barco, Aylwin Meet, Discuss Antidrug Efforts

PY2606021290 Santiago Domestic Service in Spanish 2300 GMT 25 Jun 90

[Text] Colombian President Virgilio Barco will return to Colombia tomorrow with the Collar of the Chilean Order of Merit, placed on him by President Patricio Aylwin. The two presidents met in La Moneda Palace

where they spoke about the actions their countries might carry out for peace in the future.

When asked about the drug trafficking situation in Colombia, Barco said that he and the president following him will resolutely continue fighting against it. Barco also discussed this subject of drug trafficking with Aylwin, with the purpose of implementing joint projects in this field. Virgilio Barco explained that Colombia is not a coca producing country, although Colombia processes coca smuggled in from other countries.

When asked if Latin American integration was discussed in light of a unified Europe in 1992, Barco said that he and Aylwin analyzed possible cooperation between Chile and Colombia.

Regarding the key to the successful Colombian economy in the past year, President Barco said that despite public order problems Colombian exports are making progress.

Clandestine Cemetery Reported by Former Agent

PY2506133890 Madrid EFE in Spanish 1801 GMT 24 Jun 90

[Text] Santiago, 24 Jun (EFE)—A former member of the Chilean secret police, who is now living in Madrid, has reported the existence of another clandestine cemetery on a hill near Santiago. According to an article published today by LA EPOCA newspaper, 150 people were buried in this hill, which was used for military maneuvers.

The article, which is entitled: "More Clandestine Cemeteries Are Reported From Madrid," tells about charges made by Ricardo Emilio Guzman Busquet—a former member of the dismantled National Intelligence Directorate, DINA [General Augusto Pinochet's secret police, which operated from 1973 to 1977].

The former agent explains quite clearly where the cemetery is located: "The cemetery is about 300 meters from the south longitudinal highway, on the western side of the higher hill. It occupies an area of 80 meters by 40 meters. About 150 political prisoners were buried there." According to the former agent: "The first bodies began to arrive in October 1973 and the cemetery was used until 1976." The graves were dug by soldiers of the infantry regiment stationed at San Bernardo, some 20 km south of Santiago, the report states.

LA EPOCA emphasizes that Colonel Koening Altermann, who was director of the San Bernardo Infantry School at the time, committed suicide. He left a note stating: "I want peace and tranquillity forever," and shot himself in the forehead.

In the first part of June, 20 bodies were found in a clandestine grave at the port of Pisagua, some 1,857 km north of Santiago. Most of the bodies have been identified as members of the Socialist and Communist Parties. It is feared that other clandestine cemeteries with bodies of people killed after the 1973 coup will be found.

Finance Minister on Projected Inflation Rate

PY2206185990 Santiago Radio Chilena Network in Spanish 1700 GMT 22 Jun 90

[Text] During the next two months inflation will increase as a result of the tax reform and increased minimum wages, but the economic prospects for the second quarter are positive. This was announced by Finance Minister Alejandro Foxley upon the conclusion of a meeting between the government's economic team and the president of the Republic at La Moneda Palace.

The finance minister indicated that the economic adjustment program was one of the main issues discussed during the meeting. Concerning this issue, Foxley pointed out the following:

[Begin Foxley recording] Well, the adjustment is not over. It was never said that the adjustment was over. What was pointed out indeed is that, through the measures taken by the Central Bank a few weeks ago, last year's inflationary acceleration has moderated to the point that it is possible to make an initial change in the adjustment [program].

However, the inflationary problem will remain latent. I would especially say that in a relatively temporary way, as a result of the approval of the tax reform, the increased VAT [value added tax] and the increased minimum wages will have an impact. For a couple of months these elements will have an impact on the consumer price index. On the other hand, concerning inflation, I would say that the prospects for this year are good. [end recording]

Foxley added that inflation is under control and that by the end of this year the annual inflation rate will be significantly less then the 30-percent inflation rate existing before Patricio Aylwin was inaugurated.

The finance minister pointed out that the government is serious about economic management. Therefore, the government will give assurances to the country and it will not conceal the difficulties that may appear, he said. In this regard, Foxley reiterated that although there will be a complicated IPC [consumer price index] over the next two months, the economy will experience an upward turn in the second half of this year. The finance minister reported that the country's productive capability is growing at this moment at a pace of four percent.

In conclusion, Foxley said that, at the meeting between the economic team and the president, the draft bills on collective bargaining, trade union organizations, and termination of contracts were also reviewed.

In addition to Foxley, Economy Minister Carlos Ominami, Labor Minister Rene Cortazar, Budget Director Jorge Arellano, Odeplan [National Planning Office] Director Sergio Molina, and Central Bank and State Bank officials also participated in the meeting.

Official Reports Decrease in Foreign Debt Level

PY2206151690 Santiago Domestic Service in Spanish 1100 GMT 22 Jun 90

[Text] Chilean foreign debt negotiator (Eduardo Ourinad) has reported that on 31 May the Chilean foreign debt level decreased to $5 billion. He said that the public sector's debt totals $4 billion and the private financing sector's debt totals $1 billion.

The Chilean foreign debt negotiator indicated that this is a very positive sign for our country as it guarantees financial assistance from international banks. He added that the foreign debt is expected to decrease even more over the next few months due to favorable financial conditions for Chile.

PCCh Leaders Visit Minister Before Cuba Trip

PY2506151090 Santiago Domestic Service in Spanish 1100 GMT 25 Jun 90

[Text] Communist Party [PCCh] leaders Volodia Teitelboim and Gladys Marin, who are leaving for Cuba and some European countries on 26 June, have reiterated to Foreign Minister Enrique Silva Cimma their party's request that the Aylwin administration resume diplomatic relations at all levels with the Cuban regime.

The PCCh has reported that Teitelboim, the party's secretary general, and Gladys Marin, who is a member of the Political Committee, met with Silva Cimma last weekend to tell him about the trip they are about to start and reiterate the request for resumption of relations with Fidel Castro's regime.

Colombia

President Virgilio Barco Speech on Peasants Day

PA2506213190 Bogota Inravision Television Cadena 1 in Spanish 0057 GMT 25 Jun 90

[Speech by President Virgilio Barco on 26th anniversary of establishment of Peasants Day; place not given—live]

[Text] Fellow countrymen:

Upon commemorating the 26th anniversary of the establishment of Peasants Day, the national government wishes to send to the peasants, who are the foundation for a new Colombia, a greeting of optimism and hope in the future. Fulfilling my campaign promises, and as confirmed by me on my inauguration, this government has assumed responsibility for tackling the inequalities in order to definitely make progress toward a more balanced society and to turn the principle of social justice into reality.

During my campaign I raised the banner of political, social and economic change; the mandate that we received from the people gave us the opportunity to change our country's course to provide a better homeland for all Colombians. Following the victory, the ruling party had to reconfirm its determination to struggle for the poor, the underprivileged and, in general, for all of the popular sectors as an option for social redemption and full democracy.

The objectives of my efforts as president have been based on these fundamental principles. On various occasions during this century, the redemption of the underprivileged peasants has been raised as the principal banner, and this government has continued that struggle for social redress. The national government has fulfilled the program of changes it offered during the election campaign by implementing important programs to meet, in the most effective way possible, the needs that have been growing in the rural sector.

Through its most important programs, such as the national rehabilitation plan, the plan for overall development of peasants, the agrarian reform, and the plan for erradicating poverty, the social economic plan has actively infused into the peasants the spirit to solve the main social and political problems. Institutional changes have been promoted to give the Colombian people more say in decisions affecting them directly and a plan for reconciliation between the state and the community has been established to allow them to work jointly for the common good.

Public spending has been reoriented in order to benefit the poorer rural areas. For these reasons, the government has given impetus to the agrarian reform as a means to solve the social conflict in the countryside and as a motor of economic development. By giving poor peasants access to land, we are eliminating a factor of social unrest in the countryside and expanding demand from a social group that has historically remained outside the market and Colombia's progress.

In this regard, Law 30 of 1988 represents a great social step forward because over 380,000 hectares have been obtained for distribution among Colombia's poorest peasants. In addition, progress has been made in granting of land titles in colonization areas. We have expanded the peasants' access to the credit system through the implementation of guaranteed fund programs.

We have advanced in improving marketing sytems. We have made a great effort to put at the service of the peasants technological development and modern sytems of technical assistance. We have also worked on preparing lands through irrigation.

The societal debt to the peasants will disappear when this sector becomes completely integrated, socially, economically and politically to national life. The process of political and administrative centralization and of allowing participation in the decisionmaking process is very important in the quest of that goal. We must also bear in mind the importance of supporting the peasant economy in the development process. For the national government to get the Colombian peasant to improve his living conditions is equivalent to being able to integrate him into the economic process under just and balanced conditions. Only six out of

every ten peasants can produce for the market. Those six do not make enough to improve their welfare. Colombia cannot afford to have a peasant society that produces 40 percent of our foodstuffs while they only maintain minimum living conditions.

Within the policy of social economy, three aspects have been relevant in integrating the peasant into the economic development process. In the first place, there is the strengthening of the peasant organization, under which the national government issued Presidential Decree Number 8 of March 1987. We have tried to get the peasants democratically organized to improve their capacity to defend their interests; this will allow them to talk with the government and other social groups.

Support for the organization must go hand in hand with a training process. Our experience has shown us that this is the only way that training can make a difference.

Finally, there is a third aspect in which we must make a greater effort. We must induce the peasant to develop an industrial vision to improve production conditons and to achieve greater participation in the marketing process.

I also want to stress that just as the peasant has been a direct beneficiary of our policy of social economy, he is also a beneficiary of the policy of peace that the national government has implemented.

It is no use to improve a persons's economic condition if he is not able to enjoy the improvement. Colombia's history shows how the peasant has been the main victim of violence. The quest for a negotiated solution so that the armed groups can be incorporated into civilian life involves eradicating intolerance and the use of violence and coercion to settle conflicts.

We must make way for tolerance and a legitimate democracy as necessary conditions for social justice to prevail, which is what the Colombian peasants deserves. If this is done, they will reject violence and work seriously with dedication. With that goal in mind the government will continue to fulfill our commitment to struggle against poverty. Thank you.

Minister Denies Army Participation in Crimes

PA2506235190 Bogota Radio Cadena Nacional in Spanish 1211 GMT 25 Jun 90

[Text] Colombian Defense Minister General Oscar Botero Restrepo has denied any Armed Forces participation in the activities of paramilitary groups or movements that advocate the private administration of justice in the country. He warned, however, that any Army members violating the law will be severely dealt with.

General Botero said that the investigation into the massacres in Trujillo, Valle Department, has not ended and that time is needed to learn the facts. The minister also said that, although he holds the Prosecutor General's office in high regard, he disagrees with this office's stand regarding the alleged participation of Army and police members in the Trujillo massacres. He added that the High Command has not finished the investigation but that, if the public force's participation in the events described is confirmed, the Army will not hesitate in punishing the guilty members harshly.

The minister also said that the security agencies have no information on the creation of a school for paid killers in Trujillo and recalled that, unfortunately, there has been violence in this place for many years. It has been difficult to handle the crime situation there, he added. Gen Botero said he hopes no Army member is involved in activities outside the law. On the paramilitary groups, he said they became groups of killers after they received firearms and money, apparently from drug traffickers. For this reason, we intend to vigorously attack these groups and any movement outside the law in Colombia, the defense minister underlined. Finally, asserting that the restructuring of the Armed Forces High Command is normal, Gen. Botero said that changes of battalion and police department leaders will continue in the country's various regions.

Police Capture Drug Trafficker Wanted by U.S.

PA2206190990 Hamburg DPA in Spanish 1812 GMT 22 Jun 90

[Text] Bogota, 22 Jun (DPA)—It has been reported in Bogota that Colombian authorities have captured Julio Rojas Gutierrez, an alleged drug trafficker whose extradition is sought by the United States.

Police spokesmen said that he was arrested on 21 June in the northern part of Bogota and confined to a maximum security cell. Rojas Guiterrez owns several businesses, vehicles, and residences, and he was apparently a key figure in the financial circles of the drug mafia. On 15 June, authorities captured Salomon Shueter Benitez, whose extradition is sought by a U.S. federal court in Pittsburgh.

Ever since the Colombian Government authorized the extradition of drug traffickers to the United States on 15 August of last year, 15 people have been extradited to be tried for money laundering and conspiracy to traffic in cocaine.

DIJIN Director To Be Military Attache

PA2306030690 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 23 Jun 90

[Text] DIJIN [Directorate of Judicial Police and Investigations] Director Colonel Humberto Pelaez Carmona's turn has come up in the government's drastic changes within the Armed Forces and police leadership. The high-ranking officer, who was directly involved in a press-communique war with the drug traffickers, will be sent as military attache to Peru.

[Begin recording] [Unidentified reporter] Will Col. Pelaez continue as DIJIN director?

[Police Director General Miguel A. Gomez Padilla] Col. Pelaez is currently director of the DIJIN. Some changes will be made in September. Col. Pelaez will be sent abroad as part of those changes.

[Reporter] Why did you not do the same thing with [former Deputy Police Director Brigadier General Carlos Arturo] Casadiego? Why did you not offer him a diplomatic post?

[Gomez] We cannot offer those posts to the generals.

[Reporter] Is this intended to protect him because he is being threatened?

[Gomez] We are all threatened.

[Reporter] Where will he be sent as military attache?

[Gomez] He will be a military attache. [end recording]

Col. Pelaez Carmona will be sent to Peru as military attache in September, and he will be replaced by Col. Luis Enrique Montenegro, currently police director in Barranquilla. Who is Col. Pelaez Carmona and how can his sudden withdrawal from the DIJIN directorate be explained?

Col. Pelaez Carmona's transfer as military attache to Peru is another of the changes in leadership that the police director has described as routine, but it is the result of one of the bloody conflicts between the police and the Medellin Cartel.

All the communiques issued by The Extraditables during the last six months include threats against the colonel, whom the cartel angrily charges with alleged abuse of authority and human rights violations. The Extraditables have used these accusations to justify their bloody war against the policemen in Medellin.

Col. Pelaez Carmona carried out an implacable campaign against narcoterrorism as DIJIN director. He made spectacular progress in the arrest of terrorists and the seizure of material that would have been used in attacks on urban areas. According to his own reports, he was almost killed by a car-bomb and several explosive packages.

Bombs Explode in Antioquia; New Group Surfaces

PA2406152390 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Jun 90

[Text] Two terrorist actions disrupted Antioquia Department's public order today. The first was the bombing of a house in Medellin's Diamante neighborhood. Unidentified men on two motorcycles placed a bomb containing at least 3 kg of dynamite next to a private home. Miraculously, the eight persons sleeping in the house at the time were not injured. The house is located on a narrow street in a very populated neighborhood, so the explosion's shock wave damaged almost all the houses on the block. At least 10 houses were seriously damaged, and losses are estimated in the millions [currency not specified]. The reason for the attack is unknown, but some people believe the attack was directed at the owner of a shop that specializes in leather items for the police. The bomb was placed next to the man's home, but his house did not suffer major damage. Other people claim the attack was personally motivated.

Almost at the same time that the bomb exploded in the Diamante neighborhood, seven others exploded, one after another, at a Caldas municipality integrated checkpoint area. The area contains traffic, police, and customs offices. This same station was attacked approximately one year ago, but today it was totally destroyed. The police have not made any arrests so far.

It has also been reported that four more policemen were murdered in different parts of the city on 21 June. Also, two persons were murdered in Envigado. Their identities have not been disclosed as yet, but it was reported that a leaflet was found next to the bodies. The leaflet, claiming responsibility for these crimes, was signed by a self-styled group, The Cleansing Hand [La Mano Que Limpia]. This is the group's first appearance, and there is no additional information on it. There is, however, enough background on similar groups to know that Medellin residents have one more reason to be afraid. No arrests related to these actions have been made in the metropolitan area so far.

Two More Policemen Killed in Medellin Violence

PA2406022190 Bogota Radio Cadena Nacional in Spanish 1200 GMT 23 Jun 90

[Text] Medellin—Another two policemen were killed last night by hired assassins in this city and in La Estrella Municipality, south of the metropolitan area. The authorities reported that unidentified individuals traveling in three vehicles machine gunned policeman Samuel Urreta Echenique, who was on guard at the CAI [Immediate Attention Center] at the Atanasio Girardot Sports Unit, in the western area of Medellin. The policeman died on the way to a hospital in this capital.

Later, a policeman identified as 24-year-old Jose Miguel Reales Blanco, was killed by unidentified individuals along the Southbound Highway near La Estrella Municipality. He was serving at the station of this town of southern Aburra Valley. With the death of these two, seven policemen have been killed over the past two days in this area of the country.

In view of this terrorist escalation, many policemen are filing resignations or requesting transfers at Metropolitan Police headquarters every day. Our station has learned that the National Police's General Directorate approved the resignation of 40 policemen who work in this area of the country.

Meanwhile, police leaders have announced that operations to curb the wave of violations against policemen will continue for as long as warranted.

55 Killed in Medellin on Night of 23-24 June

PA2406153390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 24 Jun 90

[Text] Medellin—The authorities in this city have opened an investigation into the incident in which 19 persons lost their lives inside the Oporto Bar and Restaurant at Loma de los Benedictinos, Envigado Municipality.

According to preliminary reports, approximately 25 gunmen arrived at the restaurant in eight cars, pinpointed several men, gunned them down with volleys of machine-gun fire, and fled. None of them has been arrested, and their cars have not yet been found by the authorities.

The bodies of the victims are at the morgues in Envigado and Medellin. The following 16 are in Envigado: Pablo Andres Ochoa Lopez, Juan Esteban Escobar Pelaez, Alex Yanovit Troyi, Luis Alfredo Posada Alvarez, Francisco Javier Rammirez Zapata, Luis Fernando Chavarria Montoya, Jose Rodrigo Palacios de Ortua, Wilfred Bonet Ospina Lopera, Juan Camilo Angel Gil, Juan Diego Castano Maya, Elquin de Jesus Escobar Cerna, Juan Camilo Bernal Olarte, Lucas Nicolas Ochoa Lopez, William Antonio Gallego Giraldo, Victor Manuel Torges Covare, and Jose Alberto Roldan Torres. The bodies of Dr. Jaime Sanchez Sarmiento, Jaime Sanpedro Salazar, and Alberto Diaz Mejia are at the morgue in Medellin.

It should be noted that the wave of violence plaguing the capital of Antioquia Department took a toll of at least 55 people last night. The most important cases are two quadruple murders, one quintuple murder, and four dual murders in various places in Medellin.

While playing cards on the sidewalk of their home in the Enciso District in eastern Medellin, Libardo Antonio Munoz Correa, Luis Fernando de Jesus Hincapie, Fernando Antonio Moreno Farria, and a fourth man who is still unidentified were attacked by four hooded men.

On a terrace in the Manrique District, eight hired killers gunned down Jose Ivan Velez Uribe, Ruben Dario Cadavid Rojas, Luis Fernando Ossa Tavares, Hernando Antonio Gonzalez, and Leon Jairo Avellaneda Monsalve.

In dual murder cases, the following persons were killed: Ernesto Ramirez Uribe, Omar Antonio Aguirre Estrada, Mario Garcia, and his son Juan Fernando Garcia Torres, as well as two unidentified men whose bodies were found at Curva del Diablo, a sector of the Moravia District in northern Medellin.

A few minutes ago the police confirmed that at Sitio Boqueron, at km 16 of the highway to the sea, the bodies of four unidentified men were found.

* Ramifications of Crime in Medellin Viewed

90SM0130B Bogota SEMANA in Spanish 22 May 90 pp 42-44

[Text] It has become a custom. For nearly one year now an average of 20 people are murdered in the streets of Medellin every night. The number of victims increases or decreases, depending on the response of the narcotics terrorists to actions taken by the military authorities of this provincial city. What is clear is that during the first four months of 1990 some 2,372 people have died from gunshot wounds. This is 196 more than during the same period of 1989.

The crime wave in Medellin has surprised most citizens and even the authorities, taking into account the fact that the different intelligence organizations—the police and the army—were strengthened with more personnel and equipment to deal with the war against narcotics terrorism. In the middle of August 1989 the authorities were forced to order a curfew to stop the violence. At the time this seemed to be the end of the nightmare through which the people of Antioquia Province were living. However, beginning in April 1990, the violence returned. At that time the Army's IV Brigade in Antioquia ordered a military assault against the town of Envigado. In reprisal for this military action Pablo Escobar upped the ante, stating that for each police officer murdered he would pay two million pesos. The no less gruesome result was that 12 police personnel were killed in less than one week, a figure which brought to 73 the total number of police shot and killed in the streets of Medellin during 1990. The members of the Elite Police Corps have met the same fate. Twelve soldiers have lost their lives in terrorist attacks since they arrived in Medellin. The maddest of these attacks took place in the middle of Holy Week, when a group of soldiers travelling in an Army truck through the streets of Itagui were attacked by a car bomb loaded with 150 kg of dynamite, which destroyed the vehicle in which they were moving. An additional 20 persons in the vicinity also lost their lives.

However, this increase in violence in Medellin is not only in response to the efforts by the authorities to learn the whereabouts of Pablo Escobar, the leader of the drug cartel. According to military authorities, it also reflects the failure of the regular system of justice to put in prison the leaders and members of the groups of assassins arrested by the Army's IV Brigade in an operation begun in January 1990 which led to the breakup of 150 gangs and the arrest of 1,400 persons, 340 of whom were proved to have links with the groups of assassins. However, inexplicably, they were released by judges of the criminal courts. A high police official told SEMANA: "As long as the regular courts are corrupt and terrorize witnesses, telling them that they will be confronted with the assassins under arrest, the war against the gangs and the drug trafficking itself will be lost."

The consequences of this decision by the judges handling public order cases in Medellin began to be felt in March 1990. The reorganization of the gangs in the northeastern part of the city, which for several months had not been receiving their subsistence "allowance" from the drug cartel, became a nightmare for the people of Antioquia Province. A new kind of crime began to be committed in Medellin: the theft of automobiles. At any corner in the city drivers are forced to turn over their

automobiles. Before the criminal flees, he in turn asks his victim for the telephone number where the thief can contact him in the following 24 hours. The telephone call is made to "negotiate" the return of the automobile. And the price varies, depending on the make and model of the car. However, the price is never less than 500,000 pesos.

Other gangs decided to go into the business of kidnapping. In general their victims are members of middle to upper class families of professional people. They hold them for a few hours and demand small amounts of money from their families for their release. So far in 1990, 57 persons have been kidnapped in Medellin.

Another group of bands of assassins decided that the easiest way of supporting themselves was by robbing savings institutions and banks. The authorities do not yet have any reliable statistics on the increase in this kind of criminal activity. However, they state that the figures are three times higher than they were in 1989.

The reorganization of the gangs of assassins has not only raised the level of crime in Antioquia, which went up from 94 murders in February to 155 in April. The reorganization also made it possible for the gangs to move to other areas where they are tolerated and where new groups have emerged which are trained by young men who learned how to kill in the schools for assassins operated by the drug cartel in towns near Medellin.

A government authority in Medellin stated: "These gangs are more sinister than those which operate in the northeastern part of the city. They are more sinister because the majority of them are made up of common criminals who have had a liberal education in crime and now are being trained by assassins who are making them much more violent. They consider killing for a piece of bread the same thing as killing for two million pesos. That is the new kind of crime which we are facing."

Despite the somber view taken in Medellin, the authorities have confidence that with the measures so far adopted—the formation of the Elite Police Corps and the establishment of military headquarters in the towns of Bello, Envigado, and La Estrella—an important step has been taken in the fight against crime. According to the statistics of the military commands, in the three towns mentioned the levels of murders, robbery, and kidnapping have declined by 80 percent. In December 1989 there were 17 murders a day in Bello. By April 1990 the figure had been reduced to seven. An Army spokesman told SEMANA: "You have to deal with this war as if it were a carpentry job. There can be no immediate solutions when the drug trade has been embedded in Medellin society for nearly 10 years. It is necessary to move slowly, but the results will be much more convincing."

* Insurgent Groups Follow Dialogue Path of M-19

90SM0130A Bogota SEMANA in Spanish
22 May 90 pp 28-29

[Text] There were very few optimists when President Barco announced his peace initiative on 1 September 1988. The failure of the previous administration's efforts and the numerous conditions contained in the Barco program led almost inevitably to skepticism. Even so, the administration followed along this thorny path which, 16 months later and to the surprise of many people, would bring Carlos Pizarro to Bogota after 20 years spent leading a guerrilla struggle against the government. Pizarro was dressed in a smartly tailored suit and was followed by all of those people who had accompanied him during the struggle in the mountains.

Nevertheless, the assassination of Pizarro in December 1988, when he was a presidential candidate, seemed to have dealt a fatal blow, not only to the negotiations with M-19 but to any possibility of peace with the other guerrilla groups. For that reason the news last week that the government would begin a direct dialogue with the Popular Liberation Army (EPL), the Quntin Lame group, and the Revolutionary Workers Party (PRT) was certainly surprising. Against all predictions, not only had M-19 decided to continue to participate in the political arena and to present Antonio Navarro Wolf as its presidential candidate, but the other three groups also decided, in spite of everything, to follow the winding path of peace.

Although contacts had been continued in secret, it is clear that the first actual steps were taken when Pizarro was still alive. Through a variety of intermediaries and in the midst of an intense escalation of the guerrilla war begun early in 1990 and successfully halted by the recently established Mobile Brigade, for several months both the EPL and the other two groups had indicated their willingness to undertake peace conversations seriously. In this connection the leaders of these groups had made use of already demobilized members of M-19, among others, who not only acted as advisers but also took seriously the role which they believed was appropriate for them: seeking on behalf of their former comrades in the guerrilla struggle a path similar to the one which they had taken.

The result of these efforts were the communications which they sent to the government two weeks ago, marking a break with the positions of the National Guerrilla Coordinating Authority (which had originally included the FARC [Revolutionary Armed Forces of Colombia], the ELN [Army of National Liberation], the EPL, the Quntin Lame group, and the PRT). In these communications the three groups agreed on stating the need for seeking a political settlement for the armed conflict within the country, particularly at this critical time. However, and above all, they pointed to the National Constituent Assembly as the gateway which reopens this possibility. The EPL stated: "We feel that we are a part of that Colombia which will bring forward an autonomous and democratic constituent

assembly and which will make possible an opening toward democracy and legitimize peace." The group announced its "willingness to confer immediately with the government and with the administration which will be installed in office on 7 August and to consider openly proposals on time and content for a pathway to peace, beginning now and ending with a negotiated solution to the armed conflict."

By this action the Marxist-Leninist Popular Liberation Army—which follows a Maoist line, has existed for more than 23 years, and has about 1,500 followers—took the first step. The Quntin Lame group and the PRT joined it. Less than one week later the government replied, agreeing to a direct dialogue with the three organizations. Even though the procedures for holding the discussions have not yet been agreed upon, as stated by Minister Horacio Serpa and Rafael Pardo, the government's peace advisor, one thing was clear. The key to making it possible to continue the process is the constituent assembly. Without it, most probably the possibility of finding a negotiated solution would again be closed. For this reason, although the announcement of a direct dialogue was received by groups involved in the process with approval, this pleasure was accompanied by great uncertainty based on the fear that the Supreme Court would declare unconstitutional the decree by which the government authorized an election for the constituent assembly on 27 May. And although there is still the possibility that, because of an evident difference of opinion among members of the Supreme Court, the court would declare that it has no jurisdiction over the matter or would take a broad view of it, at least until after the elections, optimism was not the predominant attitude within the government.

However, not only could the constituent assembly create problems for a process which has barely begun. Only a few hours after Bernardo Gutierrez, deputy national commander of the EPL who spoke with the support of the majority of the fronts belonging to this group, announced his willingness to participate in the dialogue, Francisco Caraballo, the commanding general of the EPL, issued a second statement in which he rejected the possibility that the group would follow "a policy similar to the one pursued by M-19." He said that the EPL would not "agree to a surrender or other, unacceptable conditions contained in the peace initiative of the Virgilio Barco government." In this way a confrontation came to light which, in the view of those acquainted with the EPL, had been apparent for some time. This involved the orthodox and hard line led by Caraballo as opposed to the pragmatic line led by Comandante Bernardo. The pragmatic line had previously been followed by Ernesto Rojas, the supreme leader of the EPL who was killed in action in 1987.

Although it appears that the majority of the EPL supports Gutierrez, in any case the opposition of Caraballo is an obstacle. In principle this was the reason for the delay in obtaining an agreement to begin negotiations. In the future this disagreement could lead to an early split in the organization, whose result could be a reconciliation between Caraballo and the other members of the National Guerrilla Coordinating Authority—the FARC and the ELN—in whose view President Barco's peace initiative is unacceptable under any conditions.

In any case the path which remains to be covered is a long one, and it is clear that it will not be completed during the period in office of the present administration. However, even so, the fact that a beginning has been made on following this course opens new doors. This is particularly the case, at a time when a new dialogue appeared to be practically impossible, given the intensity of the conflict which the country is going through and because it involves an administration which will soon be out of office. Not only has the peace process begun by President Barco received an unexpected new lease on life after the death blow which the murder of Pizarro seemed to have given it. The friends of peace once again have seen their view strengthened that political and democratic alternatives have greater weight than the methods of violence.

Ecuador

Indians Threaten To Stage New Uprising 28 June

PA2506152290 Hamburg DPA in Spanish 1715 GMT 24 Jun 90

[Text] Quito, 24 June (DPA)—Ecuadoran Indian leaders threatened today to stage a new "national uprising" if the government does not meet their demands by 28 June. The Indians presented 16 demands two weeks ago and suspended their first uprising that brought turmoil to the Andean region and partially paralyzed it.

Luis Macas, vice president of the Confederation of Indian Nationalities of Ecuador, warned: "We will withdraw from the dialogue with the government if we have not received a positive response by that date (28 June)." The dialogue, he said, "is not getting us anywhere." When asked about possible actions by the 3 million Indians if they withdraw from the dialogue, Macas said: "We will start demonstrations again."

The government initiated a dialogue with the Indians to negotiate their demands. They are mainly demanding that there is land distribution and that Ecuador be declared a "multinational state" so that extraterritoriality privileges will be given to Indian lands. The beginning of the dialogue ended an uprising that started in early June and lasted five days. One person was killed, 22 were wounded, and a lot of farmland was taken by force.

Government sources said yesterday that "there is a strong political will to solve the conflict" but noted that Indian representatives have only presented documents supporting 20 of the 70 land conflicts that are to be discussed.

The Indian uprising left Ecuadoreans with a feeling of great uncertainty. People interpreted the violence and vandalism that went on during the uprising as precedents to possible racial strife.

Peru

Bolivia's Paz Zamora To Attend Inauguration

PY2206142390 Lima Television Peruana in Spanish 1100 GMT 22 Jun 90

[Text] A Bolivian delegation has visited President-elect Alberto Fujimori to bring him the greetings of Bolivian President Jaime Paz Zamora, who has promised to attend the presidential inauguration. The Bolivian delegation was accompanied by Hernando de Soto, chief of the Liberty and Freedom Institute.

[Begin unidentified Bolivian recording] Friends of the Peruvian media, who are so kind to cover the news, we will speak with you. We are here with Hernando de Soto who has invited us to Peru. We are accompanied by Gonzalo Torrico, Bolivian minister for Alternative Development [title as heard], and Carlos Urrutia, political affairs under secretary of the vice presidency and presidential adviser. We have brought a personal message from Bolivian President Jaime Paz Zamora for Peruvian President-elect Alberto Fujimori.

We held a cordial and friendly meeting. We transmitted President Paz' best wishes and greetings for Peruvian democracy and the Peruvian people, who once again have chosen their leaders in a democratic manner. We expressed our sincere hopes that Peru will find the path to stability, social development, and permanent development and improvement within a democratic system. This has been the main purpose of our visit.

Although we talked about subjects we have in common, we mainly wanted to express our greetings to the Peruvian people in this democratic process. Naturally, we could not be insensitive to the events that occur on our continent and that we share. We have told the Peruvian president-elect that the doors to Bolivia remain open for any purpose, even for a meeting between our presidents, to serve the interests of our peoples and our progress. This was the reason of our visit to Peru and of the conversation we held with President-elect Alberto Fujimori. [end recording]

Ten Terrorists Killed in Clash With Army

PY2206034590 Lima EXPRESO in Spanish 20 Jun 90 p 14

[Text] Tingo Maria, 19 June—Ten terrorists, among them one woman, were killed in a violent clash with Army troops in Palo de Acero, near Tingo Maria.

It was reported that the subversives were planning to ambush the troops that patrol the area daily.

The troops came across the terrorists in Palo de Acero and 10 people died in the clash that ensued. The bodies were left behind by other subversives, who were able to escape in the heavy jungle vegetation.

The Army troops under the command of a lieutenant—who was slightly wounded—pursued the fleeing terrorists. In their desperation the terrorists abandoned war materiel such as grenades, rifles, binoculars, backpacks, portable radio equipment, and subversive propaganda.

Capture of Five Alleged Shining Path Leaders

PY2206122690 Lima EXPRESO in Spanish 20 Jun 90 p 14

[Text] Ayacucho—Members of the peasant defense patrols in Chiara and Vinchos, in Pampa Cangallo District, have captured five alleged leaders of the Shining Path military leadership, one of whom is reported to be the infamous "Comrade Rolando."

"Comrade Rolando" is considered to be one of the most despicable Shining Path leaders, and one who is responsible for murdering many security force members and for bomb attacks against private and public organizations in this city.

The terrorists were captured as they were heading for Cosibamba where, it is believed, they were going to join other comrades to attack the small town.

According to unofficial information, the peasant defense patrols virtually surrounded the terrorists in a place called Toccto and did not give them a chance to defend themselves or escape.

The terrorists said they were heading for Cosibamba "to kill some rustlers." However, one of them admitted that they were really going to attack Cosibamba "where a peasant defense patrol is being created."

The peasants tied the terrorists' hands to take them to the local garrison. However, it was learned that one of the terrorists managed to free himself and jump off a cliff more than 200 meters high. It is believed that he killed himself.

Subversive Group Attacks Police Station in Ica

PY2206035090 Lima Television Peruana in Spanish 0100 GMT 22 Jun 90

[Text] Rodolfo Chalco, our correspondent in Ica, has reported that a group of subversives has attacked the police station in Ingenio, 30 km from Palpa, Ica Department, and killed 35-year-old Sergeant Victor Tito Guarcaya.

Corporal Rodolfo Miranda Amable and guard Moises Lopez Espinoza were also injured in the attack. After taking medicine from a health post, the subversives damaged the water and electricity supply facilities of that locality and then fled.

3 Terrorists Arrested; Dynamite Sticks Stolen

PY2306191890 Madrid EFE in Spanish 0423 GMT 22 Jun 90

[Text] Lima, 22 Jun (EFE)—Police sources today reported that a soldier was injured, three terrorists were arrested, and a total of 5,000 sticks of dynamite were stolen in several attacks perpetrated in various places in Peru over the past 24 hours.

In Huancayo, the capital of the department of Junin in the Central Peruvian Mountain Range, 315 km east of Lima, members of the Maoist Shining Path group today burst into Santa Isabel School, one of the most important schools in the area, and attempted to gather the students in the main yard for a propaganda speech.

The terrorists' attempt was frustrated by a police patrol, alerted by an anonymous call, which managed to arrest three terrorists with the support of the students. One of the terrorists shot and injured an Army noncommissioned officer in the arm. The noncommissioned officer is in charge of pre-military training classes at the school.

The police seized more than 100 small red flags with the hammer and sickle carried by the terrorists and deactivated a bomb that was planted in one of the schools' restrooms.

It was also reported that in Sana, a town 50 km south of Lambayeque department's capital, Chiclayo, 780 km north of Lima, a Shining Path column on 21 June stole at least 5,000 dynamite sticks from a mine.

The police have reported that a bomb went off at the city hall building of the Lima district of San Martin de Porres, which is located in the poorer sector of the city, causing damage but no casualties.

A slogan of the "Patriotic Liberation Front" [Frente Patriotico de Liberacion], a group so far unknown but which claimed the attack, was found painted in the bathroom where the bomb was planted. The authorities presume that this group is a Shining Path branch for urban action.

Members of the police bomb squad deactivated a long-shaped bomb that was left under a car parked in the vicinity the residential sector in the Jesus Maria district of Lima.

A member of the squad said that the bomb was a "grenade," but eyewitnesses told journalists that the bomb was hurriedly left by a person who was being pursued by Navy personnel.

65 Terrorists, Civilians, Soldiers Die 23-24 June

PY2506182290 Madrid EFE in Spanish 1514 GMT 25 Jun 90

[Text] Lima, 25 Jun (EFE) — Authorities reported today that a total of 65 people—50 terrorists, six policemen, five soldiers, and four civilians—died over the weekend in confrontations in the Central Hills and Peruvian jungle areas.

This increase in violence comes one month after the antisubversive police discovered the Shining Path high command's meeting place in Lima and arrested 30 of the organization's members, including important leaders.

Commandant Carlos Renzo, military chief of the jungle city of Tingo Maria, stated that on 24 June, Army forces killed 50 terrorists in two confrontations, which took place in Palo de Acero and Monzon, 450 km northeast of Lima.

The source reported that 45 men and five women belonging to the Shining Path were killed, and that grenades, dynamite, ammunition, and subversive propaganda were seized. Renzo, who did not say whether there were any military casualties, indicated that the place where the confrontations took place was used as a "military training school" and as an arsenal for explosives. The communities of Palo de Acero and Monzon, located in a jungle area, are known as important centers for the cultivation of coca leaf and the production of basic cocaine paste.

The National Police have reported that on 23 June, six policemen and four civilians died when a powerful mine exploded under the truck in which they were travelling in the Andean district of Lachoc, Huancavelica Province, 580 km east of Lima. The policemen, including a captain, were travelling to the Caudalosa Grande Mine, where they carried out police activities, and were accompanied by three adults and a nine-year-old girl.

The same day, a Shining Path unit ambushed a military patrol and killed a captain and four soldiers inspecting the higher areas of Huancavelica.

On 24 June an alleged Shining Path commando assaulted the offices of the Totalsa Security Agency and stole firearms, bulletproof vests, and uniforms.

The Shining Path began its armed struggle 10 years ago; since then it has caused the death of at least 20,000 persons and material losses amounting to approximately $17 billion, which is equivalent to six years of Peru's exports.

AP Issues Communique on Political Situation

PY2206130990 Lima EL COMERCIO in Spanish 20 Jun 90 p A4

[Text of communique issued by the Popular Action Party, AP, Political Committee in Lima on 14 June]

[Text] The AP political committee has met on two occasions to discuss the country's political situation in view of the recent presidential election.

The first election round showed that despite the advantage obtained by presidential candidate Mario Vargas Llosa, the political forces were divided. This was clearly shown in the legislators who were elected io Congress.

Although current laws compel citizens to choose between the two candidates who received the most votes, the runoff elections results—which favored Engineer Alberto Fujimori—do not alter the political pluralism that can be observed in Congress. Consequently, Fujimori was not elected only because of the support granted by the Change 90 movement but also because of the support of APRA [American Popular Revolutionary Alliance] and the leftist movements. All of them are responsible for this election victory. Therefore, they must assume the political responsibility of the times.

In compliance with the role assigned to it by the people in the recent elections, the AP intends to fulfill its role as guardian. It also intends to maintain ties in Congress with those forces that established the Democratic Front and whose commitment with the country is included in the joint declaration signed on 14 April 1989 at the Peruvian Association headquarters. This declaration contains the basis for a government program encompassing proposals and guidelines to be implemented through a congressional consensus that in no way will undermine the independence of the parties involved.

In view of a diverse reverse stating that AP members will reportedly be appointed to the cabinet, the AP political committee deems it proper to state that this information is false, because no party member has been authorized to take on such responsibilities.

AP hopes, for the good of the country, that the new government is successful. Furthermore, it will support those measures that are in line with its ideals and programs, its basis for a government program, and those undertakings that it believes are worthy of support.

Lima, 14 June 1990

The Political Committee.

Guyana

FRG Provides $13.5 Million Structural Aid Loan

FL2206184690 Bridgetown CANA in English 1641 GMT 22 Jun 90

[Text] Bridgetown, Barbados, June 22, CANA—West Germany on Friday [22 Jun] announced a loan of about U.S. 13.5 million dollars to help Guyana strengthen its economy. The loan agreement was signed in Georgetown.

"The main portion of this German financial assistance is earmarked as structural aid to strengthen Guyana's economic recovery programme," a statement released here by the West German Embassy in Trinidad said.

"Other targets are a forest inventory study as part of the tropical forest action plan of the United Nations and commodity aid for the purchase of items required for the rehabilitation and maintenance of Guyana's infrastructure."

West Germany is among several Western nations in a "support group" seeking funding for Guyana's economic recovery programme. Canada, France, Trinidad and Tobago, Italy, Japan, Sweden, the United Kingdom, the United States, and Venezuela are the other members.

The International Monetary Fund (IMF) and the World Bank, expected to play a key role in the recovery, on Friday announced Guyana's eligibility to secure funds from the Washington-based financial institutions. The two institutions said that this followed Guyana's payment of approximately U.S. 140.9 million dollars (SDR [Special Drawing Rights] 107.1 million dollars) in overdue financial obligations to the IMF and U.S. 55.3 million dollars to the World Bank.

The IMF had declared Guyana ineligible for funds since 1985, while the World Bank instituted a similar clause in 1986. An IMF statement said Guyana's payment marks "the first case of a full settlement of arrears and removal of ineligibility under the intensified collaborative approach to the resolution of the problem of overdue obligations to the fund."

The collaborative approach endorsed by the Fund's interim committee in 1988 involves the provision of exceptional financial assistance by creditors and donors in support of strong programs of adjustment and structural reform and of efforts to regularize relations with the fund.

"Within this framework, the Guyanese authorities have been implementing a comprehensive and far-reaching adjustment programme," the IMF said.

Guyana has established a support group under the chairmanship of Canada to help secure external financing for its economic recovery programme and to facilitate regularization of the country's relations with multilateral financial institutions.

Further Details

FL2306004690 Bridgetown CANA in English 2043 GMT 22 Jun 90

[Text] Georgetown, Guyana, June 22, CANA—Guyana and West Germany on Friday [22 Jun] signed a cooperation agreement under which Guyana will receive U.S. 13.5 million dollars in loans and other contributions for its Economic Recovery Programme (ERP).

According to the Department of International Economic Co-operation (DIEC) of the office of the Guyana president, the agreement serves as the basis for West Germany's contribution to the Guyana support group at the International Monetary Fund (IMF) and the World Bank. The agreement provides for West Germany to lend funds as "commodity aid" to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements here. Provision has also been made for Guyana to receive a "structural aid" loan as co-financing with the World Bank in support of Guyana's ERP. A third feature of the agreement is financial assistance for a national forestry inventory programme to be undertaken here within the scope of the

Tropical Forestry Action Plan of the United Nations Development Programme and the Food and Agricultural Organisation (FAO).

The agreement was signed by West Germany's non-resident ambassador to Guyana, Joachim-Richard Vogel, and head of the DIEC, Dr. Cecil Rajana.

Responding to newsmen's questions after the signing ceremony, Dr. Rajana explained that West Germany's contribution to the ERP, makes it the fourth major contributor behind Canada, the United Kingdom, and the United States, if the latter's assistance through a programme that supplies wheat on long-term concessionary terms is taken into account.

Ambassador Vogel said the agreement marked the beginning of a new phase in bilateral relations between the two countries which he hoped would "significantly contribute to the economic recovery and development of Guyana." He noted that while, as a general rule, West German private investors always consider it very important that a country's status with the IMF be settled in order to attract their investments, the West Germans do have certain interests in Guyana.

The most important of these, he said, was an interest in Demerara Woods, a big state-owned saw-milling complex up for divestment and which a West German firm and other overseas investors are considering taking over.

Opposition Names Teixeira for Talks With Hoyte

FL2306005790 Bridgetown CANA in English 2127 GMT 22 Jun 90

[Text] Georgetown, Guyana, June 22, CANA—Guyana's opposition Patriotic Coalition for Democracy (PCD) on Friday [22 Jun] named Mrs. Gail Teixeira of the People's Progressive Party (PPP) as its spokesperson and delegation leader for talks with President Desmond Hoyte on electoral reforms. Ms. Teixeira is the current secretary of the Council of Guidance of the PCD and a letter to Hoyte advising him that she will be the PCD spokesperson was reportedly dispatched Friday by current chairman of the coalition, Harry Nokta Persaud of the PPP.

Members of the group of opposition parties spent much of last year squabbling about who should be its spokesperson for talks with Hoyte, who has been insisting that they name a spokesman who would be mandated to speak on their behalf and with whom he could have one-to-one discussions.

Whether Mrs. Teixeira, who serves as secretary to PPP leader Dr. Cheddi Jagan and as a member of the PPP Central Committee, will fit Hoyte's bill, especially since she is not the leader of any of the five coalition members, will have to await the president's response.

Thursday's compromise decision within the PCD, is believed to have been forged by a new urgency within the coalition now that national elections are only months away.

Meanwhile, the PCD is scheduled to meet again Saturday for its fourth meeting at the leaders' level this week to continue discussions on a number of sensitive issues including proposals for contesting the elections on a joint slate headed by a consensus presidential candidate.

Well-placed sources close to the talks told CANA Friday that one of the five parties, the People's Democratic Movement (PDM), headed by attorney-at-law, C. M. Llewellyn John, has not been attending the meetings and has given no explanation.

Suriname

Transport Sector Strikes To Protest Policies

FL2506204590 Paramaribo International Service in English 1730 GMT 25 Jun 90

[Text] The air and waterways from and to Suriname have been closed since this morning while a number of government offices and schools started operations later than normal. The actions were decided at the end of last week by the Council of Trade Union Federations in Suriname, Ravaksur, to press the government to take some measures. Ravaksur has, among others, called for measures against high prices, corruption, and black market trade. The [word indistinct] policy by the government towards the National Army and the granting of cost of living allowances are, according to Ravaksur, also necessary to solve the current crisis in the country.

The Surinamese Government has during discussions with Ravaksur over the last weekend said that already steps are being taken to meet the demands. President Ramsewak Shankar therefore called on the Council to suspend its planned action. Ravaksur is, however, of the opinion that promises are not enough and wants peace, said a trade union leader this morning to our newsroom. He said that all 10 unions in the transport sector have responded to the strike call by Ravaksur.

A part of the civil servants also reported late for work this morning, said a spokesman for the Council of Trade Union Federations. The discussions on the labor actions between the government and Ravaksur are continuing tonight.